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## WAGE BOARDS IN ENGLAND

Sweating is not peculiar to one country nor, indeed, to one continent. In Berlin and in Paris, as well as in London, the problem has engaged the earnest attention of the government during the last few years, and so young a country as Australia, with none of the accumulated problems of centuries of neglect, has been forced to take drastic steps to deal with the evil. It is, in fact, a product of the evolution of modern industry, and the same causes which have operated in Great Britain have given it birth or preserved its existence in other countries. Hence, though caution is always necessary in attempting to apply the experience of one country to the circumstances of another, the problem is so alike in its essentials in all parts of the world that an account of the measures taken to solve it in the United Kingdom may be of service elsewhere.

It is typical of the change which has been effected in public knowledge that during the last half century the definition of the somewhat opprobrious term "sweating" has been widened and modified. Originally it was applied to the system of subcontracting in the clothing trade, in which undoubtedly in early days the middleman made his profit by forcing his employees to work under revolting conditions in unsanitary workshops for the lowest of wages. But later experience has shown that low wages and the other evils were not confined to the tailoring industry nor to a system of subdivided manufacture. Indeed, investigation has made it clear that the employees of Jewish middlemen (for in the clothing trade the Jew is largely responsible for the development of the present highly organized system of manufacture) often earn far more than their fellow workers directly employed by the wholesale manufacturers or retailers of clothing. The term is now almost universally applied to trades in which one or more of the following evils exist: (1) An unduly low rate of wages; (2) Excessive

hours of labor; (3) Unsanitary houses in which the work is carried on.

This is the definition adopted by a Select Committee of the House of Lords on the Sweating System in 1890. It is rather with (1) and (2) that this article is concerned, though (3) is an evil which in a great many trades has not yet been removed. Opinion in Great Britain, however, has gradually hardened to the view that (3) is dependent primarily on (1). It is important indeed to insist that work, whether in a factory or in an ordinary dwelling house, shall be carried on only under healthy conditions. Increased wages provide a foundation on which a higher standard of living may be based. Sir Charles Dilke, indeed, and his friends had in 1895 advocated a scheme for the licensing of home workers, accompanied by rigorous inspection and supervision of homes, and the placing of the responsibility on the employer if work given out was taken to unlicensed dwellings. But when the details of the scheme were submitted to criticism and careful examination, the opinions of the practical officials of the Home Office and of experts in the enforcement of the sanitary laws in poor districts were found to be against it. Sir Charles Dilke himself wrote in 1907<sup>1</sup> that, in deference to this opposition, the scheme of licensing had been abandoned by most of its former advocates for the wages boards system of Victoria.

Other methods of dealing with the problem have been tried. The workers in the sweated trades are not, generally speaking, of the stuff of which trade-unionists are made. Yet numerous attempts have been made to organize them. In tailoring, as in some other trades, highly paid and closely organized branches exist. The Amalgamated Society of Tailors and other trade-unions which exist in the better paid branches of the subdivided tailoring trade have in self defense made spasmodic attempts at complete organization of the trade. But they have failed. Five per cent would probably be a liberal estimate of the proportion of persons engaged in tailoring who at any moment, up to 1909, were members of a trade-union. And this small minority was always very unstable in its allegiance. In the other sweated trades scarcely any semblance of trade-unionism has existed.

Realizing the hopeless impossibility of enforcing standard conditions by the methods which trade-unionism has adopted in the

<sup>1</sup> *International*, Dec., 1907.

properly organized industries, the leaders have attempted to enlist the assistance of sympathetic consumers by means of consumers' leagues and trade-union labels. Whatever success this method may have had elsewhere it has completely failed in Great Britain. The complexity of modern industry has made it an impossibility for the retailer, much less the ultimate purchaser, to make himself acquainted with the details of manufacture of the innumerable articles he sells. Nor is it easy to educate any large section of the public in the doctrines upon which the success of a consumers' league depends. In one or two cases it has been found possible where the consumption of an article is restricted to a class of persons limited in numbers and easily susceptible of influence; e. g., the English public schools have enforced fair conditions for the workers of racquet balls, but the general failure of white lists is now admitted.<sup>2</sup> Quite recently the Research Committee of the London Branch of the Christian Social Union, which has attempted to deal with the questions of sweating along these lines, issued a statement giving the reasons for their abandonment of the plan.

Some local governing bodies, as the London County Council, have tried another expedient. An elaborate log has been constructed which lays down the minimum piece rate for every stage of the work of making the clothes of tram conductors and other corporation employees, based on a more or less arbitrary standard of fairness. This log is scheduled to all forms of tender, and a manufacturer accepts a contract subject to the condition that for the labor required he shall pay the rate specified in the log for each process. This is, of course, an adaptation of the fair wages clause (now to be found in all government and most municipal contracts) to the particular circumstances of trades in which no accepted trade-union rate exists. To enforce this L. C. C. log, inspectors have been appointed, who are authorized to inspect the books and question the employees of contractors. So far as the goods to which the log applies are concerned the rates laid down are in most cases paid, but the method by which the intention of the municipality is in effect evaded is notorious. A contractor gives out two coats to be basted, one an L. C. C. coat, the other a similar article to which the terms of the log do not apply. The usual price paid to the worker for the job is, let us say, 6d.;

<sup>2</sup> *Women's Industrial News*, April, 1911.

and the L. C. C. minimum is 8d. Then the practice is for the worker to have 8d. marked on the ticket for the L. C. C. coat and 4d. or less on the other. If she declines to take both together, she gets neither. The letter of the contract is absolutely complied with, but its spirit and its intention are completely set at naught. The only real usefulness of the good intentions of the L. C. C. consists in the fact that thus there has been provided some sort of rough standard of fairness with which other municipalities and public bodies can demand compliance, but the experience of the L. C. C. has made it clear that because of the opportunities of evasion no attempt to deal piecemeal with the question of wages can have more than a very limited success.

Reform from within was attempted some few years ago by a conciliation council composed of representatives of the Master Tailors' Association and the Jewish trade-unions, but the difficulty that always arises with voluntary agreements between masters and men, when one side or the other is insufficiently organized, at once made its appearance, for here neither side was fully representative. Employers who refused to pay the increased rate agreed upon undersold those who did pay it, and the voluntary wages board at once broke up. Thus the opinion of social reformers of all political parties was driven to the conclusion that only by legislation, general in its application to the whole of the branch of the trade dealt with, could sweating, which was felt to be in its essence a question of wages, be eradicated. Public opinion, however, was slow to accept this final rupture with the economic doctrines of *laissez faire*.

A well-organized Sweated Industrial Exhibition in 1906, in which the work of sweated workers and the price paid for each process was shown to an astonished public, had considerable effect. In 1907 a Select Committee of the House of Commons was appointed to "consider and report upon the conditions of labor in trades in which home work is prevalent, and the proposals, including those for the establishment of wages boards and the licensing of work places, which have been made for the remedying of existing abuses." This committee reported unanimously in favor of the establishment of wages boards for home workers in various sweated trades.

In the same year, Mr. Ernest Aves of the Board of Trade was sent to Australia to investigate the working of wages boards in

Victoria and other Australian states. His report<sup>3</sup> contains a very careful analysis of the industrial conditions and of the special circumstances which have produced the general impression in Australia that wages boards have proved successful in their working. It cannot be said that Mr. Aves' report was unduly enthusiastic; at the same time it was certainly not hostile and on many points lent support to the advocates of wages boards as a remedy for sweating in Great Britain. Thus the ground was prepared; and when the Government introduced the Trade Boards Bill in 1909 all parties welcomed what promised to be a hopeful attack on a previously insoluble problem. This attitude is of considerable importance, for without the ready assistance and confidence of the best elements on both sides in the trades concerned, the experiment would have been very seriously handicapped.

### *The Trade Boards Act, 1909*

The following is a summary of the main provisions of the act: Trade boards were to be set up by the Board of Trade (the department to which most labor legislation is now entrusted) for each of the following trades. (1) Ready-made and wholesale bespoke tailoring; (2) Paper box-making; (3) Machine-made lace and net finishing and mending or darning operations of lace curtain finishing; (4) Certain kinds of chain-making. All workers in these trades, whether employed in factory or workshop or at home, come within the scope of the act.

The act may be extended to other trades by means of a provisional order made by the Board of Trade and confirmed by Parliament. If there is serious opposition this involves judicial investigation into the expediency of the order by small impartial committees of both Houses.

Every trade board consists of three classes of persons: (a) "appointed members," i. e., persons appointed by the Board of Trade; (b) members representing employers; and (c) members representing workers. Women are eligible to membership as well as men, and in the case of a trade in which women are largely employed at least one of the appointed members acting on the board must be a woman. Homeworkers must be directly repre-

<sup>3</sup> *Report to the Secretary of State for the Home Department on Wages Boards and Industrial Conciliation and Arbitration in Australia and New Zealand*, by Ernest Aves (1908, Cd. 4167).

sented when they form a considerable proportion of persons employed. The members representing employers and the members representing workers are equal in number, and the appointed members less in number than the members representing either side. The chairman is appointed by the Board of Trade from among the members of the trade board.<sup>4</sup>

When a trade is widely distributed the trade board divides the country into suitable areas, and in each establishes a district committee in order that local questions may be inquired into by the local people interested. A district trade committee consists of the local representative members of the trade board and of at least one appointed member of the trade board together with local employers and workers in equal number. Home workers are represented when there is any considerable proportion of them.

The minimum rates of wages are fixed by the trade board, but in cases where district trade committees are established no rate may be fixed, varied, or cancelled until the committee dealing with the area to which the rate applies has had an opportunity of considering the matter and making recommendations. Before fixing any minimum rate of wages the trade board give notice of the proposed rate, and consider any objections that may be put before them within three months. The rate so fixed immediately has a *limited operation*, as follows:

(a) Employers have to pay wages not less than the minimum unless there is a written agreement under which the worker agrees to accept less. If less than the minimum is paid and there is no such written agreement, wages at the minimum rate can be recovered from the employer as a debt, but the employer is not liable to a fine.

(b) No employer receives a contract from a government department or local authority unless he has given notice to the trade board that he is willing to be bound by the rate fixed and to be liable to the same fine for underpayment as if the rate had been obligatory.

The limited operation continues until the Board of Trade issues an order making the rate universally *obligatory*. This must be made by the Board of Trade six months after notice of the rate fixed has been given by the trade board, unless the Board of Trade considers it premature or otherwise undesirable to make an obligatory order.

The act requires the trade boards to fix minimum time rates of

<sup>4</sup> In actual practice the head of the Trade Boards Office of the Board of Trade has acted as chairman of all four trade boards.

wages for their trades. It also gives them power to fix general minimum piece rates; and these rates, whether by time or piece, may be fixed so as to apply to the whole trade or to any special process or to any special class of workers or to any special area. A trade board may, if necessary, after due notice, cancel or vary any rates so fixed, and must reconsider any rate if directed to do so by the Board of Trade.

### *Time and Piece Rates*

Employers are at liberty to arrange with their workers for payment either by piece or time. If the workers are paid by piece for doing work for which a minimum time rate, but no general minimum piece rate, has been fixed, two courses are open to the employer: (a) He may fix the piece rate himself, in which case he must be able to show, if challenged, that his rate would yield to an ordinary worker in the same circumstances at least as much money as the time rate fixed by the trade board (it is not necessary for him to show that the piece rate which he has fixed yields every worker, however slow or incapable, the same amount of money that the minimum time rate would yield; nor on the other hand is it sufficient for him to show that the piece rate which he has fixed will yield the equivalent of the minimum time rate in the case of a specially fast worker); or (b) He may, if he chooses, apply to the trade board to fix a *special minimum piece rate* for the persons he employs.

When a minimum rate has been made obligatory by order of the Board of Trade, any agreement for the payment of wages at less than the minimum rate is void. Payment of wages at less than the minimum rate, clear of all deductions, renders the employer liable to a *fine* of not more than £20. The court may at the same time order the employer to pay the worker any amount which he has been underpaid. The trade board itself may take proceedings on behalf of any worker who complains of receiving less than the minimum rate. If, however, the trade board is satisfied that a worker, owing to infirmity or physical injury, cannot earn the minimum time rate and cannot suitably be put on piece work, it may grant the worker a *permit* enabling him to be employed on special terms, and exempting his or her employment from the act so long as any conditions prescribed by the trade board on the grant of the permit are complied with.



In order to prevent evasion of the law by the substitution for the contract of employment of some other relation between the parties, any trader, who by way of trade makes any arrangement, express or implied, with any worker, in pursuance of which the worker performs any work for which a minimum rate of wages has been fixed, is deemed to be the employer of the worker and liable for the payment of wages at not less than the minimum rate. The net remuneration obtainable by the worker under the arrangement referred to, after allowing for his necessary expenditure in connection with the work, will be deemed to be the worker's wages.

Officers, appointed by the Board of Trade for the purpose of investigating complaints and otherwise securing the proper observance of the act, have power to enter factories, workshops and places used for giving out work and also to require the production of wages sheets, etc. Notices of matters under the act are required to be posted up in workshops, factories, and places used for giving out work.

It will be seen that a good deal of discretion was left to the Department of State. This was inevitable owing to the lack of accurate knowledge in or out of Parliament of the peculiar conditions in the various trades. The act was frankly experimental. The trades selected were widely different in their extent and organization. Two of them, chain-making and lace-finishing, are confined to small areas and limited to simple processes carried on almost entirely by hand. The other two, tailoring and box-making, are carried on in all parts of the country, employ a large number of persons (the branches of tailoring concerned afford employment for about 200,000 persons), and exhibit all forms of industry from the humble home worker to the highly organized factory filled with the most modern machinery. In three of them also, lace, chains and tailoring, the problem of minimum wages is complicated by the existence of middlemen.

Of initial difficulties there were not a few. Factory legislation of all kinds is dependent in great measure for success on the co-operation of the workers it is intended to assist, and on the existence of a healthy public opinion in its favor. In legislation dealing with wages the former is absolutely essential. So far as the public took any real interest in the state of the sweated trades there was no doubt of the latter. But the sweated workers them-

selves were and are a difficult problem. The lower a woman's wages the more timid she is of any sort of disturbance of the unstable equilibrium of her livelihood. Trade-unionism and similar movements have never flourished amongst the poorest class of workers. The wearing struggle for daily bread leaves no time, no energy and no inclination for other interests. The more depressed the condition of the worker the more difficult it is to arouse in her any interest in its improvement. Efforts were made to persuade the women employed in tailoring and box-making to come to public meetings at which the intention and machinery of the act would be explained. In London, considering the number of women affected by the act, most of these meetings were dismal failures. In some cases hundreds of handbills were distributed, many women were personally canvassed, and a dozen or so put in a belated appearance. In the industrial North, however, in Leeds for example, where local feeling can be aroused more easily, much greater interest was shown, and the officials who attended to explain the act had some quite successful meetings.

There was more than apathy to make difficult the task of those who were attempting to arouse interest. The workers of the less reputable employers were firmly convinced that attendance at public meetings of this sort was likely to lose them their jobs, though there was no real evidence of direct intimidation. Finding, therefore, that the ordinary public meetings were not having much success, voluntary committees connected with the East End settlements, Toynbee Hall and Oxford House particularly, organized meetings of club workers, district visitors and other persons who habitually come into contact with the home life of the women workers. Through this means the act was explained to numerous working girls' clubs, and thus indirectly and slowly a knowledge of the act filtered through to the people on whose intelligent interest its success depends.

### *Chain-Making*

The first trade board was set up for chain-making, for this was the simplest of the scheduled trades. The women chain-makers at Cradley Heath, where the trade is completely localized, carry on in small workshops work of so heavy a nature as to seem to be suitable only for the strongest of men. Their earnings, however, have been a public scandal for a generation. The men en-

gaged in the manufacture of cable and other great chain possess a strong organization and earn good wages, but the sweated branches employ about 2,000 men and women.

No rules are laid down for the appointment of workers' representatives, and in this case it was found possible to hold meetings and elect them directly. One immediate result of the passing of the act was the impetus given to trade-union effort in the trades concerned. At Cradley practically all the women were enrolled in the National Federation of Women Workers, and consequently at the election of trade board representatives the workers' side was stiffened by the inclusion of experienced trade-unionists who, though they had no technical knowledge of the particular trade, possessed considerable experience in conciliation and collective bargaining. Six persons were appointed on each side and three "appointed members"—nominated by the Board of Trade from outside the trade—held the balance. The board decided on a minimum rate of 2½d. per hour for hand-hammered chains, and proceeded to fix a piece rate which is said in practice to yield slightly more than the time rate. This rate is not princely. It is, indeed, extremely low. But it must be judged by comparison with what was generally paid formerly. Absolutely exact figures are not forthcoming, but Miss Macarthur made elaborate investigations for the purpose of her evidence before the Home-Work Commission and put the average at about 5s. per week. Messrs. Cadbury and Shann stated (1907) that the average weekly wage was from 4s. to 7s.—often in times of bad trade being even less than this.

The new rate represents an average increase of about 60 per cent net wage. Many put the average higher, and on some of the lower quality chains the increase is certainly more:

Many workers, for instance, who receive for a certain class of chains 3s. 3d. per cwt. now get 6s. 6d. Whereas making 2 cwt. under the old conditions and paying 2s. 6d. out of their gross wage for fuel and the rent of their forge, they would have a net wage of 4s., they are now earning a gross wage of 13s. and paying 2s. 6d. as heretofore, retain 10s. 6d., an increase of 150 per cent. Workers on low quality chain employed on full time (54 hours) are now found to be earning 12s., 13s., and even 14s.<sup>5</sup>

So remarkable a comparative increase was bound at first to present difficulties of enforcement. Under the act the payment

<sup>5</sup> J. J. Mallon in the *Womens Industrial News*, April, 1911.

of minimum rates may, by written agreement, be avoided during the optional period of six months. The small employers and middlemen at Cradley at once attempted to take advantage of this and to lay in large stocks of chain at the old rates. It was felt that if this continued, when the rate became obligatory, for some time there would be no work for the women to do. The women were advised, therefore, by their trade-union to refuse to sign the agreement; and their masters, in an attempt to coerce them, locked them out. Public opinion as well as the opinion of the better class employers was with the women. Subscriptions poured in to support the trade-union, a good deal of pressure was brought to bear on the employers concerned from within the trade, and the women won. The minimum rate at once commenced to be paid.

A similar struggle occurred when rates were settled for the sweated portion of the men's trade, the "dolloed" and "tommied" chains. The minimum time rate fixed ranged from 5d. to 7d. per hour according to the class of work, and corresponding piece rates were drawn up. Thus for a normal week of 54 hours a man will now be able to earn from 22s. 6d. to 31s. 6d. This is a substantial increase. As with the women, public opinion and private pressure from the trade itself were too much for the employers who desired to take unfair advantage of the six months waiting period, and the new rate was generally paid from the beginning.

The experience of the chain trade with regard to the period of limited obligation suggests very great doubts as to its utility. Nine months seems too long a period of notice, for three months' notice must be given before the six months commences to run. In many trades, of course,—two of the other scheduled trades for example—it would be too risky to attempt to accumulate large stock at the old rates. Fashions in clothes and boxes change too rapidly. Though even here in the cheapest and most sweated classes of children's clothing and in some types of boxes there may yet be trouble in this connection. Possibly one of the first amendments of the act will be a shortening or complete abandonment of this period.

The conditions at Cradley were, it must be allowed, peculiarly predisposed towards success. (1) Most of the employers had admitted for some time that the rate of remuneration was scandalously low. Whilst on the organized mens' side of the trade, wages have increased during the last generation, on the women's side

the stress of competition has tended rather to reduce them. Moreover, several leading employers had expressed their willingness to give a 20 to 50 per cent increase if only their competitors did likewise. Indeed, the trade board reached its decision unanimously.

(2) The absence of foreign competition was also an important factor. There is practically no import of chains. The Cradley Heath manufacturers have a monopoly of the trade, and are able, therefore, to pass on to the consumer increases in the cost of production.

(3) The complete localization of the industry has rendered the task of enforcement much easier, first, because it was not difficult to make every worker know the wages she was entitled to receive; second, because of the difficulty of hiding evasions from competing employers, who are just as anxious as the workers to secure that the rate shall be paid; and third, because strong local feeling materially assisted the formation of a trade-union. It is the general opinion that there is little if any evasion. The trade board has had occasion to prosecute one employer for failing to pay the minimum rate to some boys whom he employed. It appeared that by collusion between master and boys the latter received 14s. each per week instead of 17s., the minimum rate; 17s. appeared on the pay sheets and in one instance was actually placed on the pay table, the boy's mother being told to take away the 14s. only. Rumors of this evasion soon came to the ears of members of the trade board, and proceedings were taken. The master was fined £5 per case; he was ordered to pay all arrears to the boys, and also the costs of the prosecution.

(4) It was possible to draw up a piece rate as there were no insuperable complications of manufacture. This was important, for the difficulty of enforcing a time rate among home workers is great. It can be done perhaps where the home workers are only a small percentage of the factory workers and a piece rate can be tested by experience in the factory. It will be observed that when only a time rate has been fixed the onus lies on an employer, who pays by piece, to prove that his rate yields as much as the time rate to the ordinary worker. This can be tested in a factory, for there the piece rate would probably give satisfaction, if a high proportion of the workers, say 85 per cent as has been provisionally suggested by one trade board, earned the minimum required by the time rate.

(5) There is at present very little competition between the machine and the hand worker. Scarcely any of the factories have installed modern machinery. No doubt in the past labor has been so cheap that it has not been worth while to use or to invent machines for short lengths of chain. Ultimately, of course, the increased cost of labor may stimulate the use of machinery, but there is not much, if any, evidence of this process having started in the eleven months that some of the rates have been in operation. It would seem that it is still cheaper to manufacture short lengths of chain by hand labor than by the existing machinery. Indeed, it appears according to a local paper that since the minimum rates were fixed "the excellence of the hand welded article has attained a superexcellence never before dreamed of, and machine-made small chain is finding its own level." It may be that the trade board will be able to secure for the worker the economic advantages which improved machinery would otherwise have diverted to the consumer.

The danger that the minimum rate might be evaded, as occurred at first in Victoria, by the replacement of adult by juvenile labor has been carefully provided against. Thus in the 'dolloid' or 'tom-mied' trade, learners are to receive from the beginning a minimum time payment of 4s. per week for the first six months; 5s. 6d. during the second six months; 10s. during the third six months; and 12s. 6d. during the fourth half year. Afterwards the full minimum adult rate is to be paid. For the purposes of all the above rates 'learners' are persons who:<sup>6</sup>

(a) Are definitely and effectively employed under an agreement in writing in the practical learning of the branch of the trade to which these rates apply.

(b) Have not been definitely employed in learning such branch of the trade more than two years, or one year if two years' apprenticeship has been served in another branch of the trade.

(c) Are under eighteen years of age.

(d) Are working on the terms of having the workshop and the tools and the fuel provided by the employer.

(e) Hold a certificate from the trade board issued on application made prior to the commencement of the employment or within such period thereafter as the trade board may in any case or class of cases allow. Provided always that in granting or withholding such certificate, the trade board may take into consideration whether, having regard to the number of learners employed in any factory or workshop

<sup>6</sup> Extract from the notices issued by the trade boards.

or under any journeyman or worker, the learner proposed to be certificated has a reasonable prospect of receiving due instruction. Provided also that any certificate may be withdrawn if the trade board consider that the conditions of employment have ceased to be such as would have originally justified the grant thereof.

### *Machine-Made Lace Finishing*

The Nottingham lace trade presents some points of resemblance to the chain industry. It is compactly localized in Nottingham and the immediate neighborhood. It is chiefly a home workers' trade and between the workers and the warehousemen as a rule come middlewomen who, in return for some organizing services, have levied a heavy toll on the workers. Similarly, too, in Nottingham voluntary efforts had been made to establish minimum rates. About one third of the employers combined early in 1907 to publish in the local papers a list of minimum piece rates to be paid to the middlewomen. But the experiment failed in its object of securing better wages for the workers. The question of machinery does not enter into the matter as the particular processes for which the trade board was set up are not likely to be undertaken by machinery. The question of foreign competition is, however, of some importance here, for the trade more or less directly competes with France, Switzerland and Germany.

It was not found possible in the lace trade or in the other two trades to elect workers' representatives for the trade board as had been done at Cradley. The Board of Trade therefore invited nominations and after inquiry selected those who appeared most suitable. The trade board consisted of 19 persons in all, 8 workers' representatives, 8 employers (2 of whom were middlemen) and 3 appointed members. A minimum rate of 2 3/4d. an hour was fixed with the understanding that after a year it should be increased to 3d. an hour. No difficulty was found in fixing a piece rate, for the log referred to above as the basis of payment to the middlemen was adopted en bloc. It will, of course, have to be revised when the 3d. rate is fixed. Thus the trade board has fixed for the actual worker a rate which the best employers had agreed to pay the middlewomen, who deducted for themselves anything between 25 and 50 per cent, but which in actual working was never properly observed even amongst the better paid branches of the trade. Where the middlewoman is the direct employer she is to be responsible for

the payment of this rate, but if the services of the middlewoman are dispensed with and the worker deals direct with the warehouse an additional rate to be agreed upon is to be paid. One omission in the act has been disclosed at Nottingham and elsewhere. The trade board has no power to fix the percentage or rate of remuneration for the services performed by middlemen. The choice had to be made between making the direct employer responsible for the payment of the minimum rate, even though that direct employer might be himself, as is often the case in the tailoring and lace industries, a fellow worker in the trade, and really employed by a warehouseman or factory owner; or making the factory owner responsible for ensuring the payment of the full rate to everybody working on the goods he has given out. It was felt that the latter plan was impracticable, and the former was adopted. But no provision was inserted to enable the minimum commission for the middleman to be fixed. Consequently there has been strong inducement for the middleman to delay payment of the minimum rate as long as possible, for he has no guarantee that the increase of his expenditure for wages would be met by an increased price from his own employer. Most of the employers in the lace trade have voluntarily agreed to pay a fair middleman's rate over and above that fixed for the worker, and an organization of the middlemen would at once have enabled them to coerce the remaining firms. Instead, however, some of them took fright, and set to work to force their employees to contract out of the operation of the new rate during the limited operation period. This has been resisted as at Cradley. The workers are joining the newly established union (already it boasts a thousand members) and public opinion and the opinion of the large employers is on their side. At the time of writing, the new rate is being generally paid during the optional period to about half the workers. It is interesting that though the rate does not become obligatory until February, 1912, the trade board in publishing their determination inserted a note, which, of course, is of the nature of an obiter dictum and is not binding, that "the trade board are agreed that all the above rates should, in cases in which they are applicable, be obligatory on October 1, 1911, on all persons employing labor and on all persons employed." Provisions similar to those at Cradley were made with regard to learners.



*Box-Making and Tailoring*

In the two other trades, box-making and tailoring, the work has not yet progressed so far. In both cases district trade committees have been established throughout the country. A new factor has appeared in the shape of a strong national organization of the masters, which has had the first result of destroying the usefulness of the district trade committees as independent advisers of the trade board, for the employer members of the committees have in each case put forward the same rate, intentionally low, suggested by their association. The workers' representatives, similarly federated, have suggested in each case a rate correspondingly high. No agreement has been reached, but each committee has referred back to the trade board the rates suggested by the two sides. Thus the only result of appealing to the districts for guidance has been to delay operations for some months, and to leave the question in the same state as it left the trade board. One interesting point has been settled on the same lines in both trades. The minimum rate is to be universal throughout the entire country; there is to be no differentiation such as at present exists in practice between district and district. Both employers and workers have agreed on this point.

The box board has already fixed its time rate at 3d. an hour, and has dealt with the question of learners in the same way as the earlier established boards. One condition is novel: "A learner must be employed in a factory or workshop not being a room used for dwelling purposes." This means that practically every home worker—the only exceptions will be those who by reason of infirmity or physical injury have been granted permits (see earlier)—must be paid at least the minimum rates. Further, the 3d. rate is to be clear of all deductions. Thus the employer must prove that the piece rate he pays his home worker is at least equivalent to the minimum time rate after the workers have paid for the paste, glue, string, fixing, etc., necessary for their work. There is no doubt at all that the proposed minimum rate represents a very substantial increase on the rates previously paid. To take one<sup>7</sup> example, a rate of 2½d. per gross used to be paid for match boxes. An outlay of at least ¼d. per gross was required for paste, etc. A very skilled worker working not less than 12 hours could make at

<sup>7</sup> Evidence of Miss Squire, chief lady inspector of factories, before Select Committees on Home Work.

the most 8 gross. This would work out at about  $1\frac{1}{2}$ d. per hour. Opinions differ as to whether it will be possible for the trade board for either boxes or tailoring to draw up a piece rate. Fashions change so rapidly that almost before a piece-rate list could be made it would become partly obsolete. Many members of the boards, however, are quite convinced that a piece rate is both necessary and practicable, and it is a fact that the Victorian boards have drawn up piece-rate lists for both trades.

In the actual constitution of the boards in the tailoring and lace trades an interesting expedient was adopted. It was necessary to give the middlemen representation on the employers' side, but on many points their interests are those of the workers as against the large employers. Thus it was deemed advisable to prevent the middlemen, who on the tailoring board, for example, had 3 seats as against the 10 of the factory employers and the 13 of the workers, holding the balance in every important question. This was achieved by giving the chairman the right, when he thinks it desirable, and the duty, when requested by more than half of the representatives of employers or workmen, to take a vote of the representative members, by sides. The vote of the majority of members voting on either side then counts as the vote of that side. Thus on any important point of disagreement the ultimate decision rests with the majority of the appointed members (in the case of the tailoring board, one is Mr. Aves who has been previously mentioned, two have had considerable experience as Official Arbitrators in industrial disputes, the fourth is an economist of repute, and the fifth is a well-known Jewish lady of title who has a special knowledge of the poorer classes in the Jewish quarter). The value of this has been seen in the tailoring board which has just proposed its minimum time rate for women. The workers asked for  $4\frac{1}{2}$ d. an hour, the large employers offered  $2\frac{3}{4}$ d., the master tailors (i. e., the Jewish workshop occupiers and middlemen) who hoped by means of as high a rate as possible to drive work out of the factories into their small workshops where much closer supervision and consequently higher efficiency is possible, suggested 4d. an hour. After long discussions and under protest from the employers, the board proposed a  $3\frac{1}{2}$ d. rate, by the vote of the appointed members. The strength of the factory employers' opposition to this may be taken as an indication of the fact, which is generally accepted, that it will bring about a

large increase in the earnings of the women and girls in the factories.

For men's tailoring the minimum time rate of 6d. per hour has been proposed. Learners' rates for both men and women are also carefully set out. An interesting divergence in the method of treatment of the two sexes is to be noted. Girls are to be paid a weekly wage from the commencement of their service, which rises from 3s. per week at age of 14 to 13s. 6d. after 4 years on reaching the age of 18, if they have commenced before 15 years old. If between 16 and 21, two years' learnership only, and if over 21, one year's learnership only are allowed. Male learners, however, are to be paid according to age only; length of experience in the trade is not regarded. Under 15 a boy must be paid 4s. 2d. per week. By steady rises 23s. 11d. is reached between the ages of 22 and 23. Every man over 23 years old employed in the trade must be paid at least full minimum rates. The intention of this is to prevent the undercutting of rates of wages, which has gone on in the past by the "greener" as they are called—alien immigrants from Eastern Europe, who are willing to accept day wages or no wages at all but merely food and lodging, on arriving penniless in London. Much of the sweating in the East End tailoring trade has been due to this cause.

It is too early yet to attempt a judgment on the trade board's experiment as a whole, but some points have clearly emerged in two years' experience of its working.

(1) Its immediate effect has been to stimulate organization among both masters and workers to a remarkable extent. This is a tremendous gain, for the existence of organizations on both sides renders the enforcement of the minimum easier. The employers, who are paying fair rates, have as much to gain as the workers in detecting evasions of the act.

(2) The trade board has in each case considerably increased the average rate of wages. This has been accomplished chiefly by a process of levelling up. The best employers have not objected to paying a little more provided it was obligatory on their competitors to do the same. A remarkable feature of the sweated trades, especially those in which home work plays a large part, has been the wide diversity of rates paid for the same work. Each woman working by herself, knowing very few if any of her fellow-workers, has been at the mercy of her particular employer, and if he took advantage of her weakness she has not dared to resist.

(3) There have been no signs, though of course it is early yet, of any dislocation or diverting of trade in consequence of an increase in the cost of production. On this point Mr. Aves's report on Victorian experience is interesting: "In several trades in which wages have tended upwards there is much testimony to the fact that neither cost nor selling price has been similarly affected, and in some instances it has been admitted that they have tended in the opposite direction."

(4) The act has already tended to promote better organization of the trade as well as of the persons engaged in the trade. Intensive study of the conditions of these trades by experts, officials and picked employers and workers has revealed the existence of many faults of organization, and suggested their remedy. Thus the high percentage taken in the past by many of the middlewomen in the lace industry has led the employers and the actual workers, when brought face to face, to devise means for avoiding payment of this heavy and often unnecessary toll.

(5) The trade boards require wider powers. The statutory six months period of limited operation is unnecessary and might be left to the discretion of the trade boards. So also they might have the power to settle disputes, to deal with the question of hours, to organize the reserve of casual labor on which the trades depend in time of rush, and to promote technical instruction.

(6) It is not yet possible to judge the effect on home work. Probably more work will be driven into the factories. On the whole the majority of observers are agreed that this is an advantage provided it is not unduly hastened. Work can be supervised, sanitary and other regulations can be enforced and the exploitation of juvenile labor can be prevented much more easily in the factory. At the same time the representation of home workers on the trade board, and the fact that some of these trades, tailoring, for example, are forced to depend on outside help in times of boom, will tend to ease the transition.

Finally, it may be claimed that so far as the two simpler trades are concerned the act is an assured success. The initial difficulties, which were said to be insurmountable, have been overcome in all the four trades. The test to which the act is being put in tailoring is the most severe that could have been attempted. If it succeeds in this it can be applied with confidence to any other trade whatever in which the evil of underpayment is to be found, and there

is every reason to be satisfied with the progress at present achieved. Already other trades are clamoring to be included. It would be safe to say that the measure of progress in the two short years that have elapsed has exceeded the hopes of the warmest supporters of the act, and there is every indication that at last a weapon has been forged that will greatly diminish if it does not destroy one of the worst evils of our industrial system.

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## THE LEGAL MINIMUM WAGE IN 'THE UNITED STATES

Several recent events have revived the interest of American economists in proposals for the public regulation of wages in private employments. Two years ago the parliament of Great Britain passed the Trade Boards act to provide for certain British industries a procedure for the regulation of wages, modelled upon that of the minimum wage boards originally established in the Australian state of Victoria by the Factory and Shops act of 1896. In the present year bills to provide for the fixing of minimum wages in underpaid employments by authority of law were introduced into the legislatures of two American states, Minnesota and Wisconsin, and in a third, Massachusetts, a commission was appointed to investigate the wages of women and minors employed within the state and report to the next legislature upon the advisability of the establishment of minimum wage boards.<sup>1</sup> Recently, proposals have also been brought forward for the establishment by federal legislation of a standard minimum wage for alien immigrants.

Underlying this various legislation, actual and proposed, are various different purposes. The Victorian legislation, unlike the contemporary New Zealand and subsequent Australian legislation with reference to so-called compulsory arbitration, seems to have owed its origin primarily to the desire to abolish sweating, that is, certain undesirable conditions of employment, such as excessively long hours and excessively low rates of wages. There was a further purpose to protect the white Australian's standard of living from the insidious competition of colored races, particularly of the Chinese. Victorian minimum wage boards consist of from four to ten members, half selected by or on behalf of the employers, half by or on behalf of the employees, and an impartial chairman. The boards are established for such trades as the state legislature may direct, a special board being established for each trade, and are authorized to fix the lowest rates of wages that may be lawfully paid in their respective trades. There is no attempt at a statutory definition of a standard living wage for all Victorian wage-earners. Indeed the amending act of 1903 contained a clause expressly providing that the determinations of wage boards should

<sup>1</sup> Written in 1911. The Massachusetts commission has since reported (January, 1912) in favor of legislation for the fixing of minimum wages for women and minors.

be based on the "average prices or rates of payment paid by reputable employers to employees of average capacity." Although "reputable" was generally interpreted as "best," yet it was generally felt that the provision seriously hampered the boards, and in 1907 it was stricken out, giving them complete discretion in the fixing of a minimum wage. The Victorian wage boards are not restricted in their activity to the fixing of minimum wages for work-people receiving less than a standard living wage. They may, with equal propriety, fix the lowest lawful rates of payment for skilled and other highly paid grades of labor, and for the unskilled and oppressed; and wage boards may even be established for industries in which no wage-earners are employed at or below the living wage level.

In 1903 a court of industrial appeals was established, consisting of one judge of the supreme court of the state, for the purpose of hearing appeals from determinations of the wage boards. The appeal may be taken by the employers or employees in a trade, or by the government, but no appeal has the effect of suspending or delaying the operation of the determination. In hearing and deciding such appeals, the court of industrial appeals possesses all the powers of the state supreme court, and "shall in every case be guided by the real justice of the matter without regard to legal forms."<sup>2</sup> The court of industrial appeals is further instructed to consider whether a determination brought before it has had or may have the effect of prejudicing the progress of a trade or the maintenance or scope of employment therein, "and if of opinion that it has had or may have such effect the court shall make such alterations as in its opinion may be necessary to remove or prevent such effect and at the same time to secure a living to the employees."<sup>3</sup> The law takes no notice of the possibility that there may be trades in which the maintenance of the trade in the face of uncontrollable competition and the payment of a living wage to the employees may be incompatible.

In practice there have been few appeals to the court. The boards have taken their cue from the language of the statute, and instead of attempting to determine the cost of the standard living in the state they have attempted rather to bring together employers and wage-earners in the several industries for which

<sup>2</sup> Factories and Shops Act, 1907, No. 2137.

<sup>3</sup> Factories and Shops Act, 1905, No. 1905.

they have been established for the adoption of common rules for the trade, including among the rest mutually acceptable rates of wages. Thus their chief concern is to ascertain and publish the normal "going" wages for the various grades of labor in the several industries, and to provide suitable machinery for the re-adjustment of wages and conditions of employment generally to changing economic conditions. In this they have been successful. The number of special boards has been continually increased until there are now nearly a hundred in commission, regulating wages and hours of labor for nearly all the wage-earners, both men and women, of the state. For ten years there was no strike of any importance in a trade under a special board. In 1907 a strike took place, when the bakers' union ordered the journeymen out, not against a determination of a wage board, however, but against a decision of the court of industrial appeals, annulling an increase of wages determined by the board. It was quickly ended in a victory for the strikers. Whatever may have been the original purpose of the Victorian wage boards, their chief function today is to establish a more solid foundation for industrial peace. The protection of the standard of living is merely incidental thereto. This function has become so well recognized in Australia, that upon the temporary collapse of the system of compulsory arbitration in New South Wales in 1908, an attempt was made by the government then in office to introduce the Victorian system in its stead. The Labor party vigorously opposed this attempt, ultimately with apparent success. In short, the Victorian wage boards serve today primarily to foster collective bargaining between capital and labor with a view to the peaceful conciliation of industrial disputes.

The Victorian wage boards are trade boards, and as such have certain advantages over a district board as a mode of industrial conciliation. They bring together more effectually than district boards do, the employers and employees concerned in a particular dispute, and they are more competent to deal with a complicated industrial wage-scale than is a board partly composed of representatives of other trades. Their organization by law renders them available for grades of workpeople who are incapable of organizing effectually for themselves. Their official character gives their determinations a force beyond that ordinarily attained by the determinations of voluntary boards. But they add no peculiar



sanctity to the results of collective bargaining. Strikes in trades for which determinations have been lawfully made are not criminal acts, and there is no effectual remedy for the aggrieved party. Since 1908, however, the government has reserved the power to suspend a determination in case of a strike, thus enabling the employers to hire strike-breakers in the cheapest market. Fortunately, the mere process of getting together the representatives of employers and employees in a trade seems to contain within it, self the prerequisites of industrial peace under ordinary circumstances. A proposal to establish wage boards upon the Victorian model in the United States, however, must be advocated upon different grounds, and will have a different constitutional status from that of a proposal to establish wage boards for the sole purpose of fixing a minimum standard-of-living wage.

The British legislation of 1909 does not attempt to cope with the board problem of industrial warfare. The object of the act is the abolition of sweating, that is, the reduction of abnormally long hours of labor and the raising of abnormally low rates of wages, and in general, so far as may be through the regulation of the terms of employment, the maintenance of normal living conditions according to British notions of normal living. The boards, the establishment of which was made mandatory by the terms of the act, were to deal with the trades in which sweating was supposed to be most intolerable, or most susceptible to that particular mode of treatment. It is of interest to note how far the British trade boards, as they are called, are a true copy and how far they have departed from the type of the Victorian original. In size they are larger. Otherwise they are constituted after the fashion of their prototypes. There is likewise an appeal, the reviewing body being the Board of Trade. The trade boards themselves have adopted the procedure of the Victorian boards. Their determinations are the results of bargaining, not of inquiry into the cost of living and the establishment of a standard-of-living wage, irrespective of trade conditions in the trades to which the determinations are to apply. The prescribed minimum, therefore, varies from trade to trade, and unequal minimum wages are prescribed for normal adult workers within the same trade employed in different branches thereof. This system of regulating wages is more than the establishing of a minimum standard-of-living wage. It amounts to the regulating of wages generally in the trades for

which the boards have been established, and hence, though its scope is now more limited, economically, and from the American standpoint, constitutionally, it must be classed with the Victorian system of wage regulation.

Hitherto Americans generally have refused to consider proposals for the regulation of rates of wages in private employments by authority of law. It has been assumed that no such proposals could escape conflict with the fundamental law. To be sure, if any scheme for the public regulation of rates of wages gave promise of being desirable upon economic grounds under conditions known to exist in any American state, the fact of its assumed or even demonstrated unconstitutionality would not be a bar to its discussion by economists. Nevertheless, the path of any proposal for novel legislation is made smoother by the dissipation of doubts concerning its constitutional status, even if those doubts be resolved in an unfavorable sense. Hence, before considering the economic validity of the several schemes for fixing legal minimum wages, the question of their constitutionality should first be examined.

The doctrine of the judicial review of the exercise of legislative authority owes its present importance in the United States to two circumstances. One is the interpretation placed upon a certain clause of the fourteenth amendment to the federal constitution by the federal supreme court. The other is the manning of our courts with a set of judges whose economic training was received mainly from the so-called classical school of political economists. Since 1868 no person may be deprived of life, liberty or property, without due process of law, as interpreted by the federal courts. There has been much controversy over the meaning of the terms "deprived of liberty" and "property," and this controversy directly concerns the status of the proposal to regulate wages in private employments by law. Is constitutional liberty simply freedom from physical restraint, or does the term mean freedom from control in any manner except in so far as may be necessary to assure a like freedom to others? If the former, a statute regulating wages in private employments will not work a deprivation of liberty, since it carries with it no restraint of the body, but merely of the legal capacity to enter into a contract. If the latter, such a statute will work a deprivation of liberty, since it will restrict the freedom of the individual employer to buy labor in

the cheapest market, and of the individual wage-earner to sell his labor for what it will fetch. Again, is constitutional property simply things of value the possession of which is recognized by law, or does the term include also things of value which may be acquired, provided the individual's legal privileges at the moment are preserved unaltered. If the former, a statute regulating wages will not work a deprivation of property since it will not of itself diminish the quantity of a person's possessions. If the latter, such a statute, by imposing a new limitation upon the privilege of making lawful contracts, may deprive a person of an opportunity to enter into a supposedly advantageous agreement to buy or sell labor. The federal supreme court has interpreted the fundamental law in each of the pair of alternatives in the latter sense. The effect of such judicial interpretation has been to read into the constitution a doctrine that is nowhere expressed therein, namely, the doctrine of freedom of contract.

In most of our states, however, this constitutional freedom of contract is for men only. Women and children are regarded as under the tutelage of the state, and the law may impose such restrictions upon their privilege of entering into contracts as may be deemed necessary and proper. A law fixing the rates of wages in private employments for women and minors is not open in such states to the constitutional objection that might lie against such a law for men. Partly in recognition of this circumstance and partly on account of the supposed greater need of protection against industrial exploitation for women and minors, the advocates of minimum wage legislation in the United States upon the Victorian and British models have lately directed their efforts to securing legislation which shall apply only to women and minors. Thus the Minnesota bill of the present year was frankly founded upon the Victorian and British models, but was designed to put an end to the evils of sweating, so far only as women and minors might be concerned. The scope of the investigation to be made by the Massachusetts commission is also limited to wage-earning women and minors. In several of the states, on the other hand, including states like Illinois, in which the evils of sweating are most apparent, women enjoy the same constitutional rights and privileges as men, and such bills as that introduced into the Minnesota legislature would have no better prospect of withstanding the scrutiny of the courts than a similar bill for all adults, male

and female alike. Nor is it clear upon economic grounds that the underpayment of women is a more serious menace to society than the underpayment of men, upon whom as the heads of families, the majority of women are dependent for support. The minimum standard-of-living wage, if it be sound in principle, would appear to apply with most propriety to men in their capacity of heads of families. Women, in their capacity of joint heads of families, would be entitled to their proper share in the family income. The single woman, following a trade, would not be entitled to more, unless it should appear that the supply of marriageable women could not be maintained without the payment of more. The justification of the minimum standard-of-living wage must be found, if at all, in the social necessity for the maintenance of the family. If, in the application of the principle, the evidence should show that, as a matter of fact, women were oppressed to a greater degree than men by employment in sweated trades, that would be a matter with which the enforcing authority would properly deal.

Now a statute regulating the wages of men in private employments undoubtedly places a restriction upon the freedom of contract. This circumstance alone, however, does not render such a statute unconstitutional. There is no constitutional objection to the limitation of the freedom of contract, provided that the limitation is not accomplished without due process of law. If the established requirements of legal procedure are properly complied with, there would appear to be no sufficient cause for a refusal on the part of the federal courts to enforce a statute regulating wages in private employments. The constitutionality of such legislation depends, therefore, upon the possession by some legislative body of authority to accomplish its enactment. Such authority may be found in the ordinary police power of the state to provide for the common defense and general welfare of its citizens. This power is restricted only by expressed limitations in the state constitutions, by the delegation of certain powers to the federal government, and by the requirement that the legislature in its exercise of the police power shall be guided by reason. The only state constitution to contain a prohibition against the legal regulation of wages in private employments is that of Louisiana. The power to legislate with regard to interstate and foreign commerce is vested exclusively in the United States, which may prevent the application of state minimum wage laws to per-

sons engaged in interstate commerce. In all other fields of labor, reasonable restrictions upon the freedom of contract may be imposed by state legislation for the purpose of protecting the public against the evil results of accidents, disease, bad habits (such as, for example, the abuse of intoxicating liquor), overwork, underpayment, and all other things whatsoever that may be deemed inimical to the well-being of society. The United States may do the same in the field delegated to it. What is or is not, under given circumstances, a reasonable restriction is in the first instance to be determined by a legislative body, subject to subsequent review by the judiciary, whenever cases of alleged unreasonable use of the police power are properly brought before them. The prevalent uncertainty concerning the constitutionality of the legal regulation of wages in private employments arises, not from the boldness and vigor with which our courts have become accustomed to use their power of reviewing the reasonableness of legislation under the police power, but from their general acceptance of an economic theory now being discarded by the mass of the people.

The phrase, freedom of contract, is new in American legal terminology. Francis Lieber in his *Civil Liberty and Self-Government* (1852) makes no mention of it. It is first found in a reported decision of a Pennsylvania court handed down in the year 1886. The idea which is embodied in the phrase is not much older. In substance our courts have read into the federal constitution not simply a phrase, but a whole theory of government. As Mr. Justice Holmes tersely remarked in his dissenting opinion in the New York Bakers' Ten House case, the majority of the court had read into the fourteenth amendment the *Social Statics* of Herbert Spencer. The effect is that our fundamental law now not only guarantees to the states a republican form of government, but also guarantees the conduct of state affairs according to the principles of *laissez faire*.

The phrase "due process of law" is a part of the American heritage from the English constitution. It was first inserted in the federal constitution in 1790 as a part of the fifth amendment, and had then the same meaning that it had in England at that time. Yet in England at that time and for more than a score of years afterward, wages in private employments were fixed by public authority under the Elizabethan statute of artificers, and no one complained that it was done without due process of law. To

the layman there is no convincing evidence that the "fathers" intended to establish the rule of *laissez faire* by the fifth amendment to the federal constitution. Nor is there any convincing evidence that when the same phrase was embodied in the fourteenth amendment seventy-eight years later, anything more was intended by the people of the United States than to enable the federal courts to protect the freedmen in the enjoyment of the same personal and property rights as white men. The construction of the fourteenth amendment that threatens the capacity of the state legislatures to regulate wages in private employments, if they deem it necessary and proper for the protection of the public, is not the work of the American people in 1868, but of the courts in subsequent years. Like all acts of government, constituting government by men and not by law, this novel interpretation of the fundamental law can be undone by a change in the men who interpret it. The principles of *laissez faire*, having been read into the constitution, can be read out again.

The assumption that no such proposal as that to regulate wages in private employments can be enforced through the courts is premature. It is first indispensable, however, that the American people should be convinced that some action for the protection of the American standard of living is necessary, and that the proposed remedy is appropriate. Whereas the Illinois court of last resort once refused to enforce a law regulating the hours of labor of women, and then, in the light of further reflection and a more thorough acquaintance with the actual conditions of employment in the state, (in the second Ritchie case) reversed its earlier decision, so social reformers who can prove their case for the minimum wage may expect equally favorable consideration from the courts. There is no essential difference, so far as constitutional status is concerned, between the legal regulation of the hours of labor, and the legal regulation of wages. The constitutionality of both alike is solely a matter of producing sufficient evidence showing the necessity and appropriateness of the proposed legislation. Socialism itself would be constitutional, if a social revolution could be shown to be necessary, and if that particular kind of a social revolution could be shown to be appropriate to the occasion. Our constitutional system is susceptible of adaptation to any social condition. The constitutionality of plans for the legal regulation of wages depends, then, upon the necessities of the case to which

they are to be applied, and the appropriateness of the particular plans presented.

There is one further consideration. A legislative body may not delegate legislative power to another branch of government. A minimum wage board, constitutionally regarded, is an administrative body, and may not be entrusted with legislative power. In the United States, therefore, the legislature may not delegate the whole function of regulating wages to a set of special boards. The legislature itself must define the principles of just and reasonable wages, which the boards are to administer for their respective trades and localities. Now it is certain that no legislative body in the United States today is prepared to define the principles of just and reasonable wages. It is, therefore, beyond the power of an American legislature to enact a constitutional system of wage boards upon the Victorian and British models. There are two alternatives. The legislatures may declare all private employments to be affected with a public interest to the extent that just and reasonable rates of wages shall be paid to all wage-earners. This would place upon the courts in the last analysis the responsibility for the definition of justice and reasonableness with respect to rates of wages, as is the case today with respect to the rates of railways and other public utilities. Such a system of public regulation of wages would be substantially the same as the New Zealand and Australian system of compulsory arbitration, and would require for its constitutional justification a wholly different array of evidence from that required for the justification of a minimum standard-of-living wage. The former would require evidence showing the public need for protection against the evil results of unrestrained industrial warfare; the latter would require evidence showing the public need for protection against the evil results of unrestrained underpayment of workpeople.

The other alternative is not to attempt to define the principles of just and reasonable wages generally, but to define the principle of a minimum standard-of-living wage only. The bill introduced into the legislature of Wisconsin was founded upon a correct analysis of the peculiar American constitutional situation. This bill assumed the existence of sufficient evidence showing the necessity of protecting the public against the evil results of employment at less than standard-of-living wages, and defined the minimum wage as such compensation for labor performed under rea-

sonable conditions as should enable employees to secure for themselves and those who are, or may be, reasonably dependent upon them, the necessary comforts of life. The term "necessary comforts of life" is not defined in the bill. The same term, however, is employed in the constitutions of seven states, Indiana, Minnesota, Montana, Nevada, North and South Dakota and Wisconsin, in connection with the grant to their respective legislatures of the power to enact debtors' exemption laws, and has consequently been authoritatively defined by the courts themselves. "The privilege of the debtor to enjoy the necessary comforts of life shall be recognized by wholesome laws exempting a reasonable amount of property." This same privilege of enjoying the necessary comforts of life the advocates of the Wisconsin minimum wage bill proposed to extend to all adult wage-earners laboring under reasonable conditions. The bill did not guarantee employment to the unemployed, but it did guarantee reasonable conditions of employment and a minimum standard-of-living wage to all who are employed. This guarantee was ultimately to be enforced by an industrial commission, which, under a broad grant of power to investigate, hold public hearings, ascertain and classify each oppressive employment, and fix for each underpaid employee the standard-of-living wage, would have ample power to establish minimum wage boards of the British type for the provisional translation of the standard-of-living wage into wage scales suitable to the peculiar conditions in the various sweated industries of the state. The Wisconsin industrial commission, like the British Board of Trade, would itself have to assume the responsibility for the final determinations. Thus the Wisconsin bill, like the British Trade Boards act, was designed to protect all the victims of sweating, but not to regulate wages except in so far as required for the maintenance of the standard of living.<sup>4</sup>

It is now in order to examine the evidence relied upon by the advocates of the legal protection of the standard of living to show the necessity for action. The most recent, and probably the most

<sup>4</sup>The Massachusetts bill of 1912 is drafted upon similar principles. It defines underpayment, against which the public should be protected, as the payment of wages "inadequate to supply the necessary cost of living and to maintain the worker in health." The bill applies to women and minors only, and provides that a minimum wage commission shall inquire into the rates of wages paid to such employees and establish wage boards in trades in which wages are found to be unduly low. Upon the recommendation of such a board, the commission may then fix the minimum wage in the trade.



satisfactory, attempt to determine the cost of maintaining the normal American standard of living is that of Mr. Frank H. Streightoff. He places the minimum family income adequate to the maintenance of normal living conditions in the smaller cities of the North, according to the generally prevailing American notions of decent living, at \$650 a year. Dr. Chapin places the figure at \$800 or over in New York, but in order to avoid the appearance of exaggeration let us take the figure of \$600. The most recent and probably the best evidence concerning the number of households receiving less than this minimum family income is contained in the reports of the Immigration Commission. In the official abstract of the report on immigrants in manufacturing and mining the public is informed that the average annual family income in sixteen leading industries in which a large number of typical households, representing all nationalities, native and foreign, were intensively studied, is \$721. The report does not indicate what percentage of this number of households receive an annual income of less than \$600, but it is stated that no less than 31.3 per cent receive less than \$500, and 7.6 per cent receive less than \$300. The annual earnings of male heads of families alone are lower. More than half earn less than \$500 a year, and nearly two thirds earn less than \$600 a year. If we examine the official abstract of the report on immigrants in cities we find even more depressing conditions. Of 5,825 families dwelling in typical congested blocks in New York, Chicago, Philadelphia, Boston, Cleveland, Buffalo and Milwaukee, the male heads earned on an average only \$475. No less than 72.2 per cent of the whole number earned less than \$600 a year, and 41.2 per cent earned less than \$400. The average annual earnings of the 3,609 females in the households studied and reported in the abstract on immigrants in manufacturing and mining were \$304. No less than 26.4 per cent of them earned less than \$200 a year. The average annual earnings of the 2,595 females eighteen years of age or over working for wages and reported in the abstract on immigrants in cities were \$239. No less than 67.9 per cent of these earned under \$300 a year, and 44.8 per cent earned under \$200 a year. With these latest official figures in mind concerning the extent and intensity of underpayment, we are prepared to accept Mr. Streightoff's estimate that at least five million adult males receive less than \$600 a year for their labor. Not all of these are the heads of families, but on the other

hand, there must be many thousands of single women who are not receiving half of \$600, and probably are quite as unable to maintain normal American living conditions as the head of a household earning under \$600. Mr. Streightoff writes in no controversial spirit, but he does not conceal his belief that the current wage for unskilled labor is too low to meet the requirements of a decent standard. He finds abundant evidence of families deteriorating physically because of insufficient income, and even where the wage suffices for food, clothing and shelter, little or nothing remains to meet the wants of the intellectual and spiritual life. In the light of these and other recent investigations into the standard of living among the industrial population of the United States, the fact that a very considerable number of workpeople are now employed in the United States at less than an American standard-of-living wage may be regarded as sufficiently established.

The final consideration with respect to the legal protection of the American standard-of-living by means of minimum wage legislation, is its appropriateness to the existing situation. The minimum wage in itself is not unfamiliar. It is a standard feature of trade-unionism, and involves no new principle. It restricts somewhat the field of competition, but does not disturb the foundations of the competitive system. The select committee on home work of the British House of Commons reported in 1908: "Your committee are of opinion that it is quite as legitimate to establish by legislation a minimum standard of remuneration as it is to establish such a standard of sanitation, cleanliness, ventilation, air-space, and hours of work." The economic reasoning underlying proposals to establish minimum standards of remuneration and conditions of employment generally is familiar to economists, and requires no further elaboration in this place. The student who desires to pursue further the economic argument in favor of the minimum standard of remuneration in particular should consult the Webbs' *Industrial Democracy*, part III, chap. iii.<sup>5</sup>

The immediate direct effect of the establishment of a minimum standard-of-living wage would be to put an end to the employment of normal adult workers at lower rates. Not every wage-earner who had been employed at lower rates would necessarily be deprived of employment, nor would the wage of every such wage-earner

<sup>5</sup> §§ d. e. and f; pp. 749-788 of 1902 ed. Cf. F. W. Taussig, *Principles of Economics*, ch. 56, § 5; ch. 57, §§ 6, 7; vol. II, pp. 297-302, 316-322.

necessarily be increased to the standard minimum rate. Some employees would receive the increase and some would lose their employment. The actual effect of the legal establishment of the minimum would depend in particular cases, partly upon the efficiency of the particular wage-earners concerned, and partly upon the character of the demand for their services. In industries like department stores and steam laundries, which serve local markets and are free from outside competition, probably the increase of wages, caused by the establishment of a standard minimum, could be paid to all employees below the minimum without so increasing the cost of production as to produce any material decline of the demand. But in industries serving a wider market and subject to outside competition, such as cotton mills and shoe factories, the establishment of a legal minimum wage might reduce employment rather than increase wages. The outcome would depend largely upon the extent of the necessary increase, and the rapidity with which it should be put into force. Some sweated industries, parasitic industries as the Webbs call them, might be altogether incapable of maintaining themselves, if prevented from exploiting unprotected labor by the payment of abnormally low wages. Such industries as these, the country is better without. They fall in the same class with lotteries and other noxious enterprises, and the community should either pay for their products a price sufficient to maintain the normal conditions of remuneration and employment, or supply itself from abroad.

The greatest difficulty arises in the cases where workpeople of distinctly different standards of living come into competition with one another in industries to which the legal minimum wage is to be applied. Unless the various groups of workpeople are of equal efficiency, the attempt to establish a single standard for all might result in securing the industry to the most efficient group and excluding the others from all prospect of employment therein. Such would be the result, for example, in the Victorian furniture industry, if the white Australian standard could be forced upon the Chinese. In fact, it is impossible to enforce the determinations of the furniture board in the Chinese factories, and the latter hold their position in the industry. The same conditions might be found to exist in certain industries in the United States, were the experiment attempted of fixing the American standard-of-living wage as a minimum for all groups of wage-earners. The truth is that there

is no single American standard of living today. There are several standards of living among the industrial population of the United States, and in consequence a tendency towards an occupational division of labor between different races. The Immigration Commission reports in the volume first cited above, that 59.6 per cent of the negro families intensively studied received under \$500 a year, 41.6 per cent of the foreign born received under \$500 a year, whereas only 19 per cent of the native born of foreign father (mostly of races from the Northwest of Europe rather than from the Southeast, as is the case with most of the recent immigrants), and 15.7 per cent of the native born of native white father received under \$500 a year. To attempt to establish the principle of an American standard-of-living wage for alien races of distinctly lower standards and lower efficiency, would probably result in the exclusion of many aliens from employment within the country. It would also result in the exclusion of most of the negroes from the occupations in which the wage should be adjusted to the efficiency of the native whites.

Yet one of the most striking facts indicated by a comparison of the earnings of the races in different industries is that within certain limits earning capacity is more the outcome of industrial opportunity than of racial efficiency. This fact becomes evident when the average weekly earnings of the members of a single race in the cotton or woolen and worsted goods industries, as reported in the official abstract of the Immigration Commission's report on immigrants in manufactures and mining, are compared with the earnings of the same race in other industries. The Lithuanians, for example, earn an average of \$12.24 weekly in the manufacture of agricultural implements and vehicles, \$11.60 in clothing, \$13.60 in copper mining and smelting, \$9.87 in furniture, \$12.89 in iron and steel, \$11.98 in iron-ore mining, \$9.50 in leather, \$12.85 in oil refining, \$10.87 in shoes, \$10.67 in sugar refining, but only \$7.86 in cotton and \$7.97 in woolen and worsted goods manufacturing. A legal minimum wage would apparently be of advantage in promoting a better distribution of such immigrants among our various industries.

The indirect economic effects of the establishment of a minimum standard-of-living wage may be mentioned summarily. First, the establishment by legislation of a minimum standard-of-living wage would make available to the poorest and most helpless of the labor-

ing population a share in the advantages obtained by the better-to-do and stronger through voluntary association. Well-conducted, powerful labor unions do more for their members than merely to establish a minimum wage and maximum hours of employment, but the weak and poverty-stricken unions of the sweated workers are scarcely better than none at all. The advantage of the establishment of a minimum wage and standard conditions of employment generally by law instead of leaving it to the action of private trade associations is the greater security for the protection of the interests of the public against the abuse of irresponsible power in the interests of special classes. Secondly, the line would be drawn more sharply between the unemployable and the merely unemployed. The unemployable are always with us, and must be provided for by some means in any event. The establishment of a minimum standard-of-living wage would define more accurately the limits of that unfortunate class, and thus facilitate the task of giving its members treatment suitable to their condition. Although the number of the unemployable might be greater than that of the destitute under present conditions, the isolation of one more of the causes of destitution would be a gain to the cause of scientific poor relief. It would also tend to restrict the influx of the unemployable from abroad, thus at once checking the increase of inferior labor and raising the average efficiency of the domestic supply. Thirdly, there would result a restriction of the field of competition between workpeople. The wage-earner whose chief recommendation is willingness to work for a pittance would lose the advantage of his submissiveness, and strength and skill would become of greater importance in the obtaining of employment. Fourthly, there would result a restriction of the field of competition between employers. The employer whose chief stock in trade is his shrewdness in driving hard bargains with his employees would lose the advantage of that pernicious superiority. The peculiar qualities of the best type of businessman, imagination, judgment and courage in undertaking legitimate business risks, and sagacity in the management of his establishment, would become of greater importance in the achievement of success, especially in the sweated industries. In short, the indirect economic effect of the establishment of a minimum standard-of-living wage would be to promote the concentration of competition between workpeople and between employers upon efficiency.

The ultimate consequences of a legal minimum wage are not so certain. The legal protection of the standard of living cannot directly bring about a rise in the general level of wages. In the first instance, it can affect only the wage-earners who are earning less than the minimum. To such as these it offers the hope of employment at the standard-of-living wage. It cannot guarantee such employment. In the long run wages must depend upon efficiency. Temporarily, by the establishment of a legal minimum workpeople may be able to secure a higher wage than they are worth. In the long run, however, unless they increase their output to correspond to their increased income, they will not be worth to the community what the community is undertaking to pay them. The state which assumes the responsibility for the establishment of a minimum wage must also assume the responsibility for the establishment of a minimum standard of efficiency.

Minimum wage legislation and industrial education must go hand in hand together. In such a country as the United States it may also be necessary to restrict the supply of labor of the lower grades. The establishment of a legal minimum wage would of itself tend somewhat to obstruct the influx of laborers of low efficiency; but the otherwise unrestricted influx of laborers of low efficiency would also tend to obstruct the maintenance of a minimum wage at the native standard-of-living level. Probably some further means of restricting immigration would be necessary. It must not be forgotten, too, that a minimum wage law cannot cure the evils that arise from the foolish spending of incomes, small or great. Some immediate protection, however, for the American standard of living is necessary, and an appropriate means is the establishment by legislation of a minimum wage.

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## PROFIT ON NATIONAL BANK NOTES

### *Profits from Issues of Notes under the Aldrich-Vreeland Act*

Before the Aldrich-Vreeland Act was passed, it was generally assumed that such exceptional gain as might result from the issue of bank notes based on bonds would be offset by the high price at which government bonds must be purchased. There has consequently been little interest in the question, although a better understanding of it would have led to a clearer insight into the business significance of notes secured by United States bonds.

But there is a peculiar contradiction between current economic monetary theory and the assumptions upon which the Aldrich-Vreeland Act was passed. A five per cent, six per cent or seven per cent tax on the Aldrich-Vreeland Act notes need not retire them if a given amount of lawful money in bank supports several times its amount in loans and deposits for the issuing bank.

It is currently assumed that a bank does not lend its deposits and that a reserve of lawful money will support deposits equal to from four to six times its total amount. It seems to be further assumed that these credit deposits are, in fact, loans left on deposit. There is then presumed to be a general offsetting of checks drawn against these deposits. The conclusion has, therefore, generally been deduced that reserves of lawful money left on deposit will support loans and deposits equal to several times the amount so deposited. If this were true, it should follow that any credit instruments, such as bank notes, which may be passed over the counter instead of reserve money, thus indirectly increasing reserves by the amount so used, would increase the lending power of the issuing banks by several times the amount of notes thus used. If \$100,000 of Aldrich-Vreeland notes bearing a tax of 5 per cent will support \$400,000 of deposits indirectly through saving \$100,000 of lawful money, they should cause an increase in loans equal to several times the amount of the issue. If interest rates are 5 per cent it would, therefore, appear profitable to issue the notes unless the tax should reach the large amount of 20 to 30 per cent. But the banks do not seem to see the profit. Are the banks wrong? Or is there an error in the current theory of banking operations?

In its final analysis, the difficulty seems to lie in the false as-

assumption made by economists that the banks do not lend their deposits. Of course, a bank does not lend its deposits in the sense that the deposit account becomes smaller after the loan is made. But loans are not left on deposit with the lending bank in the manner ordinarily assumed. While borrowers usually maintain a deposit account with the bank, if they are regular customers, the loan usually involves a withdrawal approximately equal to the loan. The withdrawal is somewhat delayed by the use of checks, but bankers estimate that these delays cannot be figured as very significant in lessening the total withdrawal following a loan. As indicated later, the bankers seem to underestimate the significance of this phase of the loan, but the economists have grossly overestimated it. The amount of loans left on deposit with the lending bank seems to have been assumed to underlie the high ratio of loans and deposits to reserve money.

This high ratio of loans and deposits to reserves might, indeed, exist in the absence of the use of checks or bank notes. If a depositor *A* placed \$100,000 of lawful money with bank *A*, \$75,000 of this money might be loaned and \$25,000 retained as reserve against the \$100,000 of deposits. The amount might be either checked out soon after the loan was made or taken out at once. Assuming that the loan were made on a ninety-day note, the funds withdrawn would, in the meantime, be used as means of payment by the borrower; and the creditors of the borrower would deposit the \$75,000, or a large part of it, with Banks *B*, *C*, and *D*. Thus deposits in the banking system as a whole would be increased by approximately the amount of the loan. These additional deposits do not rest largely in the lending bank. The \$75,000 of funds thus redeposited might again be loaned, with the exception of the amount required for reserve, and again redeposited, each time increasing deposits in the banking system as a whole by approximately the amount of the loans. Within the ninety days the operation might occur several times, so that \$100,000 might, by its repeated use, serve in running up both loans and deposits four to eight times the amount of funds involved in the original deposit. On April 28, 1909, individual deposits for all the banks in the country amounted to \$13,814,500,000. Loans and discounts were \$9,924,800,000, whereas specie and currency in bank amounted to only \$1,429,900,000. For the national banks, individual de-



posits were \$4,635,200,000; loans, \$4,662,000,000; and cash in bank only \$926,100,000. For the banks as a whole, the total individual deposits equal 9.6 times the lawful money in bank, while for the national banks the individual deposits equal 5 times the lawful money in bank.

For the banking system as a whole, it is perfectly correct to say that the lawful money reserve limits deposits and similarly limits loans because, for the whole banking system, loans give rise to deposits, causing concurrent increase in the two items. This analysis does not hold, however, for the individual bank. It is not able to lend four times the amount of funds deposited with it even if it could readily convert into lawful money all the funds deposited. A check payable through the clearing house serves, as deposit, practically the same purpose that would be served by a similar amount of lawful money.

Whether or not deposits consist largely of loans was a question of controversy between Professor W. C. Webster and Bank Commissioner A. M. Young of Oklahoma in a series of articles appearing in the "Journal of Political Economy," Vol. XVII. In regard to Professor Webster's arguments, Commissioner Young says:

"Yet again Mr. Webster says that most people overlook the fact that 85 to 90 per cent of all bank deposits are created by loan. I am glad that he made this statement. It will at least show the intelligent banker of America how absolutely ignorant he is of the banking business. Men do not borrow money to keep it on deposit. The records of this office will show that not 25 per cent of our deposits are created in this way." (Journal of Political Economy, Vol. 17, p. 464.)

Professor Webster replies:

"Mr. Young is evidently seeking in vain for a climax to his caustic criticism of my recent article, when he says that my statement that 85 to 90 per cent of all bank deposits are created by loans shows 'the intelligent bankers of America how absolutely ignorant,' I am 'of the banking business.' This is really amusing. I will simply retort that I am quite willing to risk the doom of being consigned to the oblivion of ignorance by the above assertion." (Journal of Political Economy, Vol. 17, p. 468.)

It is clear that the bank commissioner was correct in so far as

*an analysis of the operation of the individual banks is concerned. If Professor Webster meant that his statement should be applied to the account of an individual bank he would have been unable, upon the assumption made, to explain properly the profits of bank note issue.*

If we neglect for the moment the small amount of deposits consisting of loans not withdrawn, a bank's lending resources are mainly increased from day to day by an increase in total deposits. It makes little difference whether these deposits consist of checks or other funds which are readily turned into reserves at the end of the day. The checks likewise serve, as deposits, the same purpose in offsetting the day's check withdrawals that would have been served by lawful money. In so far as loans result in the withdrawal of the funds borrowed, their increase from day to day will be definitely limited by the checks and other cash deposited, if the bank be conceived as regularly using all its available cash resources in making loans.

Loans and investments must be so limited, however, that there will always be present the lawful reserve against deposits. For the central reserve city only, approximately three fourths of the total cash deposited may be loaned or invested, on account of the reserve requirement. If, however, the cash in hand is the bank's own issue of bank notes, \$100,000 of notes will be sufficient to support \$100,000 of loans, assuming the loans to be, at the same time, withdrawals of the bank's funds. With a clear conception of the accounting operations of the individual bank, it becomes clear why bank notes will not, for the issuing bank, expand loans, through economy in reserves, by several times the amount issued. The treatment of bank notes in monetary theory presents many peculiarities. It is common to find, in a theoretical study, statements that bank notes are like checks and have no other effect on the supply of money than checks have. Even the American Bankers Association, at its meeting over a year ago, recommended that there be placed no limit on the issue of bank notes by the Reserve Association of America, assuming that there would be no resulting inflation because bank notes are like checks and are used only where they are required to carry on business at the current level of prices determined presumably by the cost of production of gold. While there may be a grain of truth in the similarity of bank notes and checks, their real significance lies in the difference

between the two. Bank notes serve and take the place of lawful money for the customers of the bank for whom checks will not serve. They thereby indirectly increase the reserves of the banks by approximately the amount of notes passed over the counter of the bank. At the same time they increase the lending power of the issuing bank by something more than the amount so used.

There results, however, an inflation in the aggregate lending power of all the banks equal to several times the amount of notes issued. As an operating process, it is through the redeposit of the funds created by issues of bank notes that they increase the lending resources of the banking system as a whole beyond the increase in the lending power of the issuing bank. The increase in lending power above the loan expansion for the issuing bank takes the form, first, of an increase in the deposits of the other banks and thereby an increase in their lending power. Other things being equal, an increase of deposits of a central reserve city bank will increase its lending power by slightly more than 75 per cent of these deposits. With a given reserve requirement, an increase in the total deposits of all the banks tends to increase the aggregate lending power of the banks as a whole. The theories have gone wrong because they have traced the increased lending power to increased reserves rather than to increased deposits. The increased reserves may be a secondary result of the retention by individual banks of the usual per cent of a larger amount of funds deposited with them.

If the difference between checks and bank notes be noted, it is then worth while to observe their similarity. Checks take the place of lawful money in the circulation, just as bank notes do, except that the use of the two credit media is not fully interchangeable. People without a bank account are usually inconvenienced by check payment. They must have currency. Lawful money would be required if bank notes were not present. But as banks become more thoroughly distributed over the country and a larger per cent of total payments may be made with checks, a given inflation in the amount of lawful money in the country will cause a larger inflation in the lending resources of the banks. The lawful money now in circulation will find lodgment in bank reserves. But there will always be a large number of payments that must be made by currency, and bank notes may serve this purpose and thus increase the lending power of the issuing bank by slightly more

than the amount of notes issued, while at the same time the lending power of all the banks will be increased by several times the amount of notes so issued.

It may be noted at this point that while the business habits of the community in regard to the use of banking facilities are such as to limit the usefulness of checks at any given time, so do they also limit the use of bank notes. The difference, however, is that generally acceptable money is displaced by checks as banking facilities become more widely used, while bank notes may at any time displace greenbacks, gold certificates, silver certificates and other forms of currency, of denominations of \$5 or more. The following table will show the extent to which other forms of currency are in circulation outside of banks, and may be subject to displacement by bank notes:

Paper Money Circulated

	In Circulation <sup>a</sup>	In Banks <sup>b</sup>	Outside of Banks
U. S. Notes	\$338,450,395	\$236,080,193	\$102,890,202
Gold Certificates	802,754,199	468,728,950	334,025,249
Silver       "	478,597,238	178,042,978	300,554,260
Bank Notes	683,659,535	<sup>c</sup> 108,652,478	575,007,507

<sup>a</sup> See *Report of the Secretary of the Treasury, 1910*, p. 142.

<sup>b</sup> See *Report of the Comptroller of the Currency, 1910*, p. 57, covering 7,145 national banks and 15,950 state banks.

<sup>c</sup> Only \$41,743,931 of this amount was in national banks.

If bank notes were expanded in volume, and the United States notes, gold certificates, silver certificates, and other forms of currency subject to displacement through issues of bank notes were to find lodgment in reserves, the total issue might reach approximately \$1,200,000,000 equalling the amount which the Aldrich plan provides may be issued by the Reserve Association of America before a 5 per cent tax is levied on increases in notes outstanding. It is of consequence to note that much of this expansion in notes could take place whether these notes were made reserve money or not. Total reserves would be increased, however, by between \$100,000,000 and \$200,000,000 through authorizing banks to count bank notes as reserve, because something like this amount is regularly held as assets in the banks and the notes so held could then count as reserves.

But the loan credit relation certainly has a significance for the individual bank in connection with the deposit relation. Through

the loan accommodation a bank may get a deposit account which it would not otherwise secure. It is also not true that a loan is followed immediately by a withdrawal of cash equal in amount to the loan. It is possibly true that individual loans may, on an average, constitute deposits to an amount equal to from 10 to 15 per cent of the total of these loans. If all loans were of the "cash credit" variety, which is common in Scotland, the gross income from interest on loans would probably be reduced by 10 to 15 per cent, rates of interest remaining unchanged. Another material consideration is found in the delay of withdrawals by borrowers through the use of checks. This delay results in the retention by the individual bank of a considerable fraction of total loans, which might otherwise be immediately withdrawn. For the sake of concreteness of argument let us assume that loans, are on an average, followed by withdrawals equal to 75 per cent of the loan. If we further assume for the moment that a bank is able to make full use of its notes when they are issued, \$100,000 of notes would support \$133,333 of loans.<sup>1</sup>

If the rate of interest were 5 per cent, this amount of loans would yield a monthly gross income of \$555.55. The annual expense in connection with taking out \$100,000 of notes (aside from the tax and sinking fund expense) has been figured by the Comptroller of the Currency as \$62.50 or \$5.20 per month. If this figure be correct, the net would be \$550.35 per month. Under the Aldrich-Vreeland Act, the tax for the first month would be 5 per cent or \$417 per month, making the total net income \$133 per

<sup>1</sup>No account is here taken of the reserve required to support the credit deposit, which may be left with the lending bank, to the amount of, perhaps, 10 to 15 per cent of the average amount of its loans. This might amount to decreasing the loanable resources of the individual bank from  $3\frac{1}{2}$  to 5 per cent below 133 $\frac{1}{3}$  per cent of the currency received through note issues, making the total increase of loans slightly below 126.55 to 128.55 per cent of the total increase in currency, as this reserve money required would reduce loans something more than its amount. For an accurate computation this small correction would necessarily be made throughout the paper. For the individual bank, however, it has less significance than it is ordinarily assumed to have in the discussion of the monetary theorist. The figures and per cents are only illustrative. It is not intended to argue that all of the currency issued by an individual bank finds its way back into other banks as deposits. Part of it may remain in the circulation. But the tendency is, through the circulation of these funds, to run up total deposits and total loans in all the banks by an amount equal to several times the increase in the circulation.

month. For each increase of one per cent in the tax, the expense would increase by \$83.33, so that at the beginning of the third month the tax would become prohibitive by an increase of the expense above the gross income. A bank does not redeem its circulation, on an average, so often as once per year, and consequently the expense of taking out and redeeming the Aldrich-Vreeland circulation would probably be somewhat higher and the profits of the first and second month somewhat smaller than indicated here.

The assumption made above that notes can be immediately put into use is not accurately true. The table on the following page shows the extent to which bank notes are held as assets in the United States for the dates indicated.

Although the above figures show the extent to which bank notes are an expense to the banking system as a whole, by reason of their non-reserve character or by reason of the fact that they are not constantly kept in circulation, they do not signify greatly for the purposes of the calculation of a given bank. The individual bank has approximately the same amount of bank notes on hand regardless of whether or not it has issued notes of its own. The notes coming in as deposits are many times greater in volume than the bank notes which any one bank issues. Consequently a small bank would not find it particularly advantageous to undertake to make room for its own notes by trying to redeem the notes of other banks. The large central reserve city bank can afford this, but the small bank can not. This appears from the table above. The means employed by the small bank to get its notes into circulation are merely the retention of lawful money deposited and the passage of bank notes over the counter.

It is of further importance to note in this connection that our system of redemption adds further to the expense incurred because the notes must be sent to the redemption agency at Washington in order to secure their redemption in lawful money. The redeeming bank must forego the use of the funds in transit during the week or two weeks elapsing between the time of shipping and the time of receiving the redemption money. When the transportation charges are added to this loss, it may be seen why the individual bank does not regularly redeem the notes of other banks, which it may hold.<sup>2</sup> But there is another phase of the interbank relations

<sup>2</sup> One of the large banks in Chicago, with deposits of over \$100,000,000, has regularly about \$200,000 of notes in transit to or from Washington. It must pay the transportation expense and forego the use of this amount of funds.

**TABLE NO. 1.**  
**Money in Banks compared with Bills of other National Banks held as Assets.**  
(000 omitted).

New York				CHICAGO		
	Vault Money	Bills of other Banks	Per Cent	Vault Money	Bills of other Banks	Per Cent
<b>1910</b>						
Jan. 31.....	\$285,017	\$1,387	.5	\$79,467	\$761	.9
Mar. 29.....	274,435	1,519	.5	82,926	926	1.1
June 30.....	261,935	1,290	.5	85,212	1,189	1.3
Sept. 1.....	298,191	1,198	.4	85,269	1,068	1.2
<b>1909</b>						
Feb. 1.....	300,723	2,277	.7	82,899	1,318	1.5
Apr. 28.....	307,272	2,110	.7	83,542	1,296	1.5
June 23.....	329,981	2,111	.6	84,622	1,555	1.8
Sept. 1.....	308,955	1,669	.5	80,372	1,513	1.8
Nov. 16.....	257,257	1,835	.7	78,735	1,610	2.0
<b>1908</b>						
Feb. 14.....	260,527	1,979	.8	60,868	1,201	1.7
May 14.....	320,188	2,079	.6	73,028	1,363	1.8
July 15.....	316,978	1,905	.6	75,185	1,442	1.9
Sept. 23.....	338,578	1,357	.4	73,555	1,743	2.3
Nov. 27.....	312,856	1,944	.6	72,595	1,182	1.6
<b>1907</b>						
Jan. 26.....	228,979	1,529	.7	65,454	756	1.1
Mar. 22.....	209,927	1,091	.5	58,501	739	1.2
May 20.....	232,069	1,255	.5	65,770	766	1.1
Aug. 22.....	221,088	2,225	1.0	67,084	891	1.3

St. Louis				UNITED STATES		
	Vault Money	Bills of other Banks	Per Cent	Vault Money	Bills of other Banks	Per Cent
<b>1910</b>						
Jan. 31.....	\$31,191	430	1.3	\$873,408	\$40,329	4.6
Mar. 29.....	30,008	405	1.3	878,957	44,062	5.0
June 30.....	30,675	471	1.5	876,640	41,743	4.8
Sept. 1.....	27,788	285	1.0	851,685	41,548	4.8
<b>1909</b>						
Feb. 1.....	33,354	797	2.4	900,567	40,450	4.5
Apr. 28.....	34,446	547	1.6	924,070	45,413	4.9
June 23.....	32,286	752	2.3	929,730	43,815	4.7
Sept. 1.....	32,095	648	2.0	894,296	40,204	4.5
Nov. 16.....	32,931	472	1.5	844,924	40,063	4.7
<b>1908</b>						
Feb. 14.....	29,229	756	2.6	826,389	37,994	4.6
May 14.....	29,182	546	1.8	898,639	37,313	4.2
July 15.....	25,401	593	2.3	886,499	37,481	4.2
Sept. 23.....	26,334	485	1.8	906,486	38,062	4.2
Nov. 27.....	29,151	597	2.0	882,664	37,905	4.3
<b>1907</b>						
Jan. 26.....	31,385	528	1.7	724,179	28,676	3.9
Mar. 22.....	28,056	311	1.1	683,983	27,763	4.1
May 20.....	29,861	390	1.3	719,691	28,100	3.9
Aug. 22.....	27,151	324	1.1	732,863	31,240	4.2

which counts in this connection. The small bank having a correspondent in a reserve or central reserve city can get rid of its redundant or worn-out notes by sending them to the city correspondent where the deposit will draw 2 per cent interest. If the reserve city bank has a deposit with the central reserve city bank, it can likewise dispose of its redundant or worn-out notes by shipping them to the central reserve city bank where they will count in the form of deposits, as reserve for the depositing bank, and yield 2 per cent interest. Consequently, the burden of redemption falls upon a few large reserve and central reserve cities. In the year ending October 31, 1910, the total of notes redeemed was \$504,151,186, of which \$104,991,200 were fit for circulation and hence were returned to the issuing banks. Of this total, \$230,886,000 came from New York City, \$68,051,000 from Chicago, and \$32,464,500 came from the following eight cities: New York, Chicago, Boston, Philadelphia, St. Louis, Cincinnati, Baltimore, and New Orleans. The conclusion is evident that the alternatives of the small bank make it unprofitable for it to incur the expense incident to redemption. The large city finds itself a dumping ground for worn-out or redundant bank notes. If it did not send these notes to Washington, its reserves would become burdened with this volume of bank notes. It would also be passing out to its customers the dirty rags, as they are called, which the country banks have forwarded to their correspondent. While the large city banks get even, to some extent, when the country bank calls for currency in the fall of the year, it is only a few months before the return flow of these notes begins.

In this process of redemption the individual banks do not have their own notes retired except by their own consent. If the notes sent for redemption are worn out, the redemption is accomplished by the use of the 5 per cent redemption fund; and while the issuing bank whose notes are redeemed must replenish its 5 per cent fund by the amount of the redemption, it receives in a few days new notes for those redeemed. If it wishes to retire its own notes, it may do so by placing with the Comptroller of the Currency lawful money equal in amount to the notes to be retired. It may then withdraw the bonds. But as long as the bonds remain on deposit, the redemption process amounts only to a shift in the position of the notes. The issuing bank loses the use of the amount redeemed during the time elapsing between its replenishing of



the 5 per cent fund and the re-employment of its own notes re-issued by the Comptroller. This expense should be roughly proportional to the amount of notes a bank has outstanding. It is not regarded as an item of significant expense by the issuing banks.

But a bank can seldom calculate that it will be able to make full use of all its funds at all times. All banks, for part of the year, have surplus reserves. The excess per cent of reserves above

TABLE No. 2.  
*Legal and Available Reserves*

	Reserve of Central Reserve City Banks	Reserve of Reserve City Banks		Reserve of Country Banks	
	Legal Per cent	Legal Per cent	Available Per cent <sup>1</sup>	Legal Per cent <sup>1</sup>	Available Per cent <sup>1</sup>
1910					
Sept. 1	25.68	25.31	28.04	16.88	22.81
June 30	24.96	25.30	27.25	17.07	22.57
Mar. 29	24.92	25.27	27.92	16.96	23.83
Jan. 31	25.88	25.53	28.00	16.97	23.94
1909					
Nov. 16	25.19	25.56	27.60	17.00	23.95
Sept. 1	25.44	25.65	29.05	17.08	24.58
June 23	26.82	26.28	30.15	17.34	25.09
Apr. 28	25.76	26.96	30.73	17.63	25.92
Feb. 5	25.73	27.14	31.94	17.52	26.57
1908					
Sept. 23	25.98	26.44	30.76	17.63	26.07
Nov. 27	27.80	26.80	"	17.60	"
July 15	27.85	27.60		17.92	
May 14	29.70	27.87		18.40	
Feb. 14	28.62	27.37		18.75	
1907					
Dec. 3	22.20	24.72		19.17	
Aug. 22	26.20	25.50		16.90	
May 20	26.50	24.90		16.60	
Mar. 22	25.30	24.30		16.70	
Jan. 26	26.70	25.60		16.60	
1906					
Nov. 12	25.3	24.3		16.8	
Sept. 4	24.4	24.5		16.7	
June 18	26.0	25.4		16.8	
Apr. 6	24.6	24.7		17.1	
Jan. 29	26.5	25.7		17.0	

<sup>1</sup> Available reserves include the lawful reserve, and in addition the deposits with reserve agent in excess of that which may be counted as lawful reserve.

<sup>2</sup> There was no calculation of the available per cent of reserve prior to November 27, 1908.

required reserves is a useful indication of how fully the banks employ their funds. The per cents over the past few years are given on previous page.

These figures, showing the extent to which the banks are able to make use of their resources, are important as showing the significance to banks of loanable funds or of additions to their loanable cash resources. During recent years the percentage of idle funds has been small. The figures on available reserve as compared with lawful reserve are significant because the difference is the total of country and reserve city bank deposits with their reserve agents above the amount which the law allows them to count as reserves. This difference has a bearing on the explanation of the profits from the issue of bank notes based on United States bonds, as shown below. In so far as the figures above bear on the profits to be secured from the issue of Aldrich-Vreeland bank notes, they show that the correction to the profit figures, because of the nonemployment of funds, is a small item, and, for the period of a panic when such notes would be issued, the correction can be practically neglected.

#### *Profits from Issues of Bond Secured Notes*

The explanation of the profits from the issue of national bank notes based on United States bonds is somewhat more complex, but the same theoretical analysis applies. The Comptroller of the Currency gave, in the annual report of 1910, the following figures in regard to the profits from an issue of \$100,000 of bank notes based on Panama 2 per cent bonds of 1930:

Receipts		Deductions	
Interest on \$100,000 of 2s of 1930....	\$2,000.00	Tax .....	\$500.00
“ on \$100,000 circulation at 6%.	6,000.00	*Expenses . . . . .	62.50
		Sinking Fund.....	27.58
Gross receipts.....	\$8,000.00	Total .....	\$590.08
Net receipts .....			\$7,409.92
Interest at 6% on \$101,005, the average cost of \$100,000 of 2s of 1930 for October, 1910.....			6,060.30
Profit on circulation in excess of 6 per cent on the investment.....			\$1,349.62
Per cent profit .....			1.336

\*The expense of \$62.50 in the account above was in the Comptroller's reports prior to 1903, divided into the following items: cost of redemption, \$45; express charges, \$3; plates, \$7.50; agents' fees, \$7.

It is worth while to note the assumptions made in the above calculation. It is assumed (1) that \$100,000 of notes produces a gross income at the same rate as that which would have been realized by the use of \$101,005 of lawful money spent in buying bonds; (2) that a bank uses an amount of money for loans equal to the amount of the loans, i. e., \$100,000 supports \$100,000 in loans; (3) that the investment connected with \$100,000 of notes was the \$101,005 paid for the government bonds; (4) that the price of government bonds does not change except by the amount of the sinking fund; (5) that the rate of interest is constant.

It has already been pointed out that bank notes are as good as lawful money in so far as they may be passed over the counter instead of lawful money and thus serve to increase reserves. It has also been shown that, considering the approximation to full use, which banks are able to make of funds deposited or originating with them, one is not greatly in error to assume that a bank can make approximately as good use of \$100,000 of bank notes as it could make of \$100,000 of lawful money. In so far as this is true, the bank, in taking out \$100,000 of notes based on United States bonds, sacrifices the use of the \$1,005 or the premium on these bonds.

It loses, therefore, only such income as it might have secured through an employment of this amount. The Comptroller's figures are in error only to the extent that he assumes \$100,000 to serve the bank in lending only \$100,000, whereas it probably serves in making about one third more loans, since it is true that the borrower does not withdraw at once all of the funds borrowed, and that, when a check is drawn, it serves to delay the withdrawal until it is redeposited. If the rate of interest is 6 per cent, the bank loses the gross income on an amount of loans which might be made by the use of \$1,005, or possibly 6 per cent on approximately \$1,340. If this fact alone were considered, one would be justified in saying that the Comptroller's estimated profits are too high, since the bank lost more income in the sacrifice of the use of a certain amount of money than he assumed it to lose.

The Comptroller's estimated rate of net profits raises the question as to what the investment is. Is it the \$1,005, the use of which the bank has sacrificed? Or is it the total cost of United States bonds? Since the Comptroller leaves out of the compu-

tation the risk of holding United States bonds, he would have been more logical in assuming that the investment was the \$1,005 of premium. There would, in this case, be a petty investment and a small return, although a very high rate of return. The Comptroller, however, figures the return on the amount spent for bonds over what the return would have been if the notes had not been issued. The intention is to show the differential accruing to the bank by reason of the transaction. But it is not appropriate to regard that as a return on the investment in United States bonds.

It is, however, in the fourth assumption involved in the Comptroller's figures that the chief error in calculation of expense is made. The Comptroller's figures were probably made with the expectation that the bankers would make due allowance for the risk involved in the purchase of government bonds. The bankers in the large cities, who are accustomed to shifting security investments, are apparently most affected by this consideration. The name of a government bond carries with it, for the great majority, the idea of security; but the large bankers who are familiar with the fiscal operations of the government and are accustomed to dealing in government bonds have found them an investment of unusual risk. For years there has been much talk of reform in the methods of note issue and this has added to the risk of holding government bonds. If an officer of a large bank is asked why he does not issue more bank notes the reply will usually be that he does not wish to risk such a large per cent of the bank's capital in government bonds. A glance at Plate No. 12 of the *Financial Diagrams* of the National Monetary Commission will show how violently the price of government bonds has fluctuated. When the United States 2s began to take the place of the United States 4s as a basis of circulation in 1900, the latter in two years fell  $4\frac{1}{2}$  points. As the supply of Panama 2s became more plentiful, the price of those due in 1930 fell from  $108\frac{3}{4}$  in 1902 to  $100\frac{7}{8}$  in 1908. The fall of the government 2s in 1908 was partly due to the fact that other bonds began to be accepted in large amounts as security for United States deposits. This low point reached in the early part of 1908 was followed by a rapid increase in bank notes as shown by Table No. 3 and the diagram. The low price of bonds increased the estimated profit resulting from issue and likewise caused an increase in the

ratio of notes to capital for the banks of the country as shown in the diagram. The low price of government bonds has resulted partly from the increased supply but largely from a realization of the risk involved in their purchase. The fiscal policy since and including the administration of Secretary Shaw has also been an important factor in the price fluctuation of government bonds. The significance of this risk is approximately indicated by the increased estimated rate of profit shown in the Comptroller's estimates. It was stated above that the risk was more sensibly felt in the large cities. This is indicated by Plate No. 6 of the *Diagrams* of the National Monetary Commission, where it is shown that the increase in notes since 1904 has been comparatively small in the central reserve cities. The risk involved in the purchase of United States bonds has been compared by Professor W. C. Mitchell with that involved in the purchase of West Shore 4s due in 2361 and of ten other investment bonds. His conclusion was stated as follows: "Instead of providing the stablest of American securities from the investor's point of view, government bonds have proved the least stable among the bonds for which yields have been computed."<sup>3</sup> This expense, however, is one that cannot be computed and can only be indicated, as in the figures of the Comptroller, as resulting in a higher rate of profit necessary to cover the risk involved.

The lower price of government bonds since 1904 has resulted in a large increase in the amount of bank notes and their ratio to capital stock. Since the Comptroller's estimated profits are based on the assumption of a constant rate of interest, they show admirably how the low price of government bonds has stimulated the issue of notes. The table and diagram on the following pages show the movement for the banking system as a whole.

While this table, for which data were taken from the Comptroller's annual reports, does not correctly represent profits from issue, it is useful in showing the relation between the price of government bonds and expansion in bank note currency. As the rate of interest assumed in the above profit calculations was 6 per cent throughout, the estimated profit varies directly with the price of government 2s of 1930.

The following table does not show the reason for the expansion of bank note issues in the country and the reserve city banks

<sup>3</sup> *Journal of Political Economy*, Apr., 1911, p. 285.

TABLE NO. 3.  
Estimated Profits and Notes Outstanding.

	B	C	Notes secured by lawful money	A
	Per cent Profit	Notes secured by U. S. bonds (000,000 omitted)	(000,000 omitted)	Ratio of Circu- lation to Capital
1902 Nov.	.696	\$341.7	\$43.7	47.1
Dec.	.775	342.1	42.8	....
1903 Jan.	.689	340.6	43.4	....
Feb.	.761	338.7	44.1	45.8
Mch.	.815	338.3	44.2	....
Apr.	.897	347.6	43.6	45.6
May	.935	363.6	42.9	....
June	.921	372.3	41.4	48.3
July	.874	377.6	39.7	....
Aug.	.879	380.1	38.5	....
Sept.	.713	379.5	40.9	49.8
Oct.	.833	380.6	39.0	....
Nov.	.881	383.0	38.0	49.6
Dec.	.925	387.3	37.9	....
1904 Jan.	.954	387.7	39.2	49.7
Feb.	1.016	390.4	40.0	....
Mch.	.989	395.6	39.3	50.3
Apr.	.941	397.8	39.3	....
May	1.013	407.3	38.7	....
June	1.004	412.8	36.5	52.1
July	1.014	415.0	35.2	....
Aug.	1.028	417.4	35.1	....
Sept.	1.013	422.0	34.1	53.4
Oct.	1.009	424.5	32.7	....
Nov.	1.041	427.9	32.7	54
Dec.	1.047	431.8	32.9	....
1905 Jan.	1.035	435.8	31.6	54.6
Feb.	1.000	438.4	30.8	....
Mch.	1.023	444.9	31.1	55.1
Apr.	1.007	449.1	32.1	....
May	1.032	456.2	32.1	56.3
June	1.055	462.7	33.0	....
July	1.021	471.6	32.4	....
Aug.	1.067	478.8	33.4	58.6
Sept.	1.045	481.7	34.7	....
Oct.	1.123	490.0	34.5	....
Nov.	1.156	497.6	35.7	60.1
Dec.	1.159	504.8	36.1	....
1906 Jan.	1.158	506.4	36.9	61.1
Feb.	1.160	509.2	41.6	....
Mch.	1.092	512.2	42.4	....
Apr.	1.093	514.4	42.2	61.7
May	1.126	516.0	43.1	....
June	1.119	517.8	43.2	61.8
July	1.081	516.6	44.9	....
Aug.	1.011	524.4	45.4	....
Sept.	.982	527.8	46.1	62.0
Oct.	1.056	536.9	46.2	....
Nov.		547.0	46.4	63.3
Dec.		549.3	46.9	....
1907 Jan.		549.7	46.5	63.3
Feb.		549.7	46.6	....
Mch.		547.6	49.6	62.2

	B	C	Notes secured by lawful money	A
	Per cent Profit	Notes secured by U. S. bonds (000,000 omitted)	(000,000 omitted)	Ratio of Circu- lation to Capital
		\$550.2	\$49.7	....
Apr.		553.6	48.3	62.0
May		555.6	48.2	....
June		555.0	48.4	....
July		556.9	47.1	61.6
Aug.		556.1	47.9	....
Sept.		562.7	47.2	....
Oct.	.950	610.1	46.1	....
Nov.	.884	643.4	46.7	66.7
Dec.	1.002	641.9	53.5	....
1908 Jan.	1.024	632.4	63.2	69.3
Feb.	1.054	628.8	67.6	....
Mch.	1.055	625.4	72.2	....
Apr.	1.073	624.7	73.7	67.3
May	1.079	623.2	75.1	....
June	1.059	625.4	66.7	66.8
July	1.077	625.9	59.3	....
Aug.	1.087	626.9	48.6	66.6
Sept.	1.095	626.8	39.1	....
Oct.	1.070	614.9	52.2	65.0
Nov.	1.084	628.8	48.3	....
Dec.	1.098	630.3	46.3	....
1909 Jan.	1.159	635.6	42.7	66.3
Feb.	1.266	646.1	38.3	....
Mch.	1.291	653.2	34.2	68.1
Apr.	1.276	656.3	31.9	....
May	1.366	659.7	30.2	68.4
June	1.260	667.5	27.8	....
July	1.296	672.3	26.6	....
Aug.	1.327	676.0	26.8	69.6
Sept.	1.327	678.3	25.6	....
Oct.	1.334	681.0	26.4	70.0
Nov.	1.387	683.4	27.0	....
Dec.	1.349	681.3	28.5	69.5
1910 Jan.	1.360	679.4	30.6	....
Feb.	1.369	680.3	31.9	68.8
Mch.	1.342	683.2	30.2	....
Apr.	1.363	682.8	29.5	....
May	1.362	685.5	27.9	68.4
June	1.373	684.5	27.5	....
July	1.375	687.1	30.2	....
Aug.	1.336	688.2	32.1	67.3
Sept.	1.313	691.3	33.5	....
Oct.	1.336			

rather than in the central reserve city banks. Table No. 4 will show the comparative ratio of circulation to capital in New York City, the three central reserve cities, other reserve cities, and the country banks.

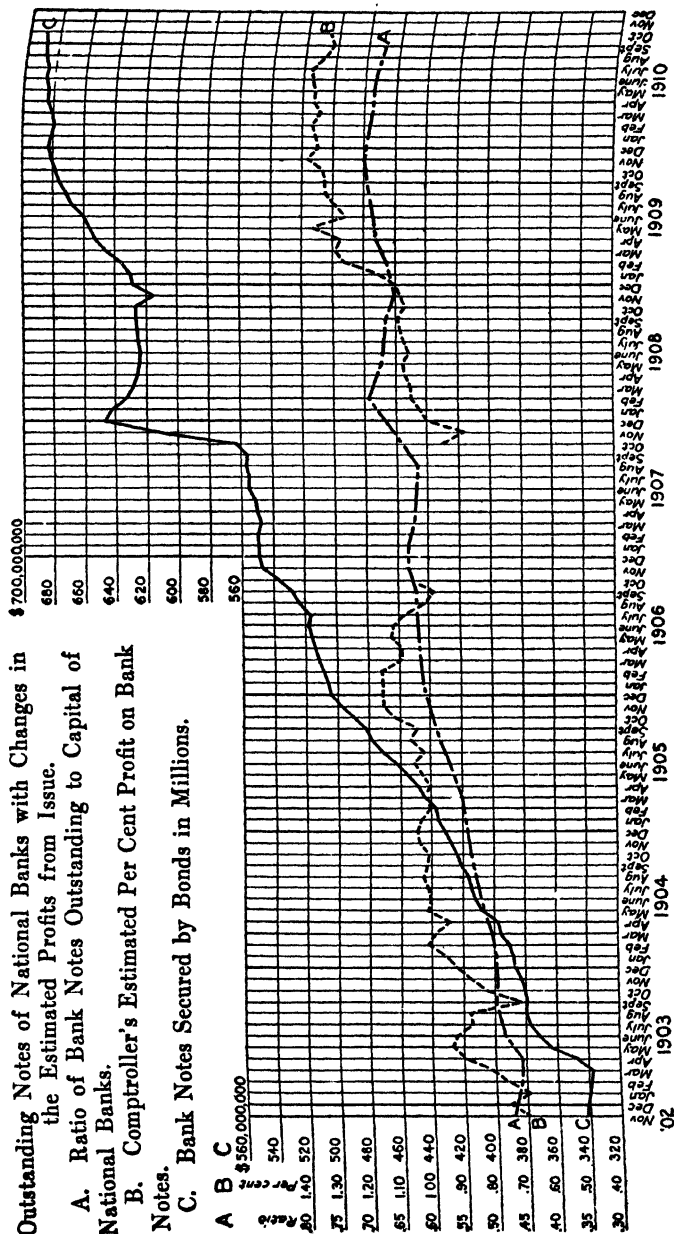




TABLE No. 4.  
*Ratio of Outstanding Circulation to Capital.*

	New York City	New York, Chicago, and St. Louis	Other Reserve Cities	Country Banks
Sept. 6, 1904.....	36.9	38.0	51.4	59.1
Aug. 25, 1905.....	50.3	49.5	55.2	62.8
Sept. 4, 1906.....	43.2	47.8	59.6	66.5
Aug. 22, 1907.....	44.2	46.7	58.2	66.8
Sept. 23, 1908.....	49.1	51.6	64.9	71.6
Sept. 1, 1909.....	46.1	50.8	67.8	75.9
Sept. 1, 1910.....	38.4	44.8	64.3	75.6

The data are taken from the annual reports of the Comptroller of the Currency.

There are certain facts apparent from these figures which do not signify greatly for the general tendency toward a higher ratio of circulation outside of the great centers. The sudden rise in the ratio of circulation to capital for New York City in 1905 was doubtless due to the fact that the national banks there were the chief beneficiaries of the treasury operations of Secretary Shaw through which municipal bonds were accepted as security for government deposits. It was not good policy to sell, all at once, the government bonds thus released, and consequently New York banks used them temporarily in increasing their circulation. The ordinary circumstances affecting the distribution of note issue were temporarily in abeyance.

If Table No. 4 is compared with Table No. 2, it will be seen that the percentage of bank notes rises in the locality where the excess of available reserves is greatest. Although there is not shown an excess of available reserves for Chicago and St. Louis, an examination of their reports will show they have a larger total of funds due from other banks than has New York. The country bank ordinarily has altogether 8 to 10 per cent of its deposits over its required reserve in its own vault and with its reserve agents. The reserve cities have something like half this excess above their reserve, whereas the central reserve cities, except in very dull times, have a much smaller excess of funds above their reserve requirement. Business is centralized in New York City and our banking system is likewise centralized there through the operation of the reserve provision of the national

banking act. New York City has the facilities, through its relation to speculation, for placing idle funds into use. It also has a close relation to the foreign money markets where it frequently lends freely. As the remoteness from New York City increases, the difficulty in the employment of idle funds increases. Consequently, the national banks in the country do not find it possible to turn the daily surplus in reserves to the loan or investment account. In so far as the country banker has constantly more idle funds, he has a profitable alternative use through his issues of bank notes. Perhaps it would be more nearly right to say that the irregularity of the employment of funds in the country finds its expression in an increase in the deposits with the reserve agent in excess of the amount that can be employed there. As the rate of interest on any funds becomes low, the profits of issue increase. By investing in government bonds and notes and depositing the notes with his correspondent the country banker gets 4 per cent on idle funds. The loss of 2 per cent on the premium is a small subtraction from the gross income. If a country banker counts on having an average of 8 per cent of his deposits in idle funds, it would pay him to take out notes when otherwise it might be unprofitable. That is, bank notes are a good investment for idle funds when 4 per cent may be secured with a negligible loss on premiums. But more important than this consideration is the keener realization by the larger bankers of the risk involved in buying government bonds. The government bond brokers of New York send to the country banker the figures in regard to profits on note issue. He accepts them without suspecting that the rulings of the Secretary of the Treasury or some currency reform may cause a loss on the securities. The figured profits seem small but the country banker deals in small profits and takes them when they are offered. He sees a small profit with practically no risk.

The large banker also uses the argument that he does not wish to have all of his capital invested in United States bonds. In the regular course of business, his investment in securities other than United States bonds materially exceeds the capital stock of the bank. As there is a prejudice in the banking community against excessive investments in securities, the large bankers find the funds regarded as available for security investment employed in the purchase of securities, whose ownership is more significant

for the bank than the ownership of government bonds. Whether this investment takes the form of ownership of the capital stock of a trust company, or the foreclosed collateral securities of defaulted borrowers, or the ownership in securities of some enterprises having a relation to the properties held by the group of capitalists in control of the bank, or whether it be the desire to hold securities from time to time in connection with underwritings, there are opportunities for security investment more attractive than the purchase of United States bonds, considering the limited amount of funds which may be conservatively placed in these mortgage or stock securities. The large bank participates in underwritings and the traffic in securities. When the large central reserve city banks can invest their funds, which they regard as available for security investment, in 5 per cent bonds which they regularly turn over with a differential in addition to the 5 per cent return, United States 2 per cent bonds with the small differential associated with bank notes do not prove attractive.

The bank notes based on United States bonds, like any other notes, have a bearing on the business of other than the issuing banks. For the issuing bank they involve a slight contraction of loanable resources; but in the city from which the bonds are purchased, they involve an increase of deposits or cash resources first by approximately the purchase price of the bonds. If a reserve city national bank should sell the United States bonds to a country bank, the loanable cash resources of the former would be increased by the purchase price of the bonds. Its loan might be increased, after the transaction, by an amount slightly in excess of this amount. The total circulation has been increased by the amount of the note issue. The issuing bank has lost loanable cash resources to the amount of the premium while the reserve city bank has gained loanable cash resources equal to the purchase price of the bonds and therefore equal to the amount of notes plus the premium on the bonds. But the secondary effect on the banking system as a whole, through the redeposit of the increase in total funds, is to increase loanable cash resources by an amount equal to several times the increase. The difficulty is, however, that when bank notes are needed, no bank can afford to take them out because their issue involves a contraction of the lending power of the issuing bank at the same time that it increases the lending power of the central banks. No bank hard

pressed for funds could afford to issue such notes in times of stress if it were required to purchase the bonds upon which they were based.

A glance at Plate No. 6 of the *Financial Diagrams* of the National Monetary Commission, which shows a large increase of bank notes during the panic of 1907, seems to furnish evidence contradictory to the theory here proposed. The increase in note issues here indicated resulted from the plan pursued by the Treasury in coming to the relief of the money market. United States bonds held to secure United States deposits were released upon condition that they be used to increase the bank note circulation, and the banks so favored were allowed to substitute other securities to secure these government deposits. Finally, three per cent certificates of indebtedness with circulation privilege were sold to the banks and the purchase money redeposited with them. It was this stimulus which resulted in the sudden increase of bank notes in the reserve and central reserve cities. These causes, however, had been in operation since the fall of 1905 as will be indicated by Plate No. 6 of the *Financial Diagrams*. Secretary Shaw initiated at this time a new interpretation of the federal law formerly supposed to require United States bonds as security for government deposits. His interpretation allowed the use of other than United States bonds as security for deposits. This released some government bonds, and in New York and other large cities there was an immediate response in a larger circulation, as already indicated. The Comptroller, however, has not undertaken to compute the profits of note issues in 1907, and the circumstances of the case do not permit of a very definite analysis. It seems fairly profitable, however, to get 3 per cent on money due for 3 per cent certificates, and at the same time to secure additional note issues equal to the amount of 3 per cent notes so purchased. Some of the increase in bank note circulation in 1907 was based on borrowed bonds. Although rates paid for the use of these securities were not published, the competitive rate would tend to offset the profits to be secured from the circulation. The method is particularly advantageous because notes thus secured increased the lending power of the issuing bank.

The argument here set forth in regard to the profits of issue applies to the national bank notes under the banking and currency laws, which now prevail in this country. The explanation of the

significance of notes issued by a central bank or by such an organization as the proposed Reserve Association of America would require a further analysis, which would unduly lengthen this paper.

SPURGEON BELL.

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## THEORIES OF PROGRESS

*The review which Professor Carver gave my *Social Basis of Religion*<sup>1</sup> was a model of sympathy and courtesy, and I would be the last person to find fault with it. There is, however, a fundamental difference between his views and mine that we shall all gain having clearly defined. My view is an economic interpretation of progress, while Professor Carver's is a biologic interpretation. That he is an economist may obscure this, but the reader should notice that he quotes Spencer, not Mill, when he states ultimate principles. Our difference may be put in another way by saying that he is interested in Race Progress, while I am interested in Social Adjustment. I presume he will say that the two cannot be separated, that the one involves the other. This connection, I admit, in so far as it concerns ultimate adjustment to a distant Utopia, but not as regards that actual adjustment open to any race under given conditions. Americans can become adjusted to present America without race progress. Such an adjustment is wholly economic, and does not demand elimination or race evolution. I have not said that at the beginning of the historical epoch man was vastly inferior physically, socially and morally to what he had been in some previous epoch, but that during the historical epoch he has become socially and morally inferior to what he was when this epoch began. The fall, as I see it, was first economic, then social, moral and religious, in turn. It has thus involved every phase of social life, but without serious physical effects.*

The conventional theory may picture the prehistoric state of man as confined to a single epoch, with which a later degenerate condition revealed by history is contrasted. This is not my view. I have conceived even this prehistoric condition as one involving a long evolution. There was no moment when primitive man was in an economic "Garden of Eden," but every element of this picture at some time had its influence on the evolution of man. Animals, fruits, grains, metals, and favorable products and conditions, each in turn, acted on man and helped in his elevation. They came in a series that gave the net result of a "Garden of Eden" without its actuality. It is the form of the picture, not its content, that is wrong. There is no need of discarding it if we think of it in terms not of creation, but of evolution. Historically

<sup>1</sup> See American Economic Review, Dec., 1911, p. 790.

viewed, the "Garden of Eden" is a myth, but genetically it was a reality.

It indicates a lack of historical perspective to apply modern theories of overpopulation and diminishing returns to this prehistoric society. Overpopulation depends not merely on a physical capacity to increase population, but on a social willingness to preserve it. Before life was deemed sacred, there could be no overpopulation. Children were exposed when they became disadvantageous. Primitive morality would not have striven to protect life if primitive societies had felt the pressure of overpopulation. It is only after the religious advance of the historic epoch that life was overconserved and the evils of numbers arose.

Primitive races alternated between periods of deficit and plenty. They not only had good seasons, but good years and even good epochs. Then would come famine, war or disease sweeping off multitudes and creating actual underpopulation. The picture that poets, prophets and social tradition give were founded on facts. The "pastures green" and the "lands flowing with milk and honey" were more than dreams. They seem absurd only to those who can picture nothing by nineteenth century misery.

Real differences in doctrine and thought lie deeper and do not depend on the truthfulness or accuracy of these pictures. During the long prehistoric epoch did the race rise through the helps or the hindrances of its environment? Did man advance during the periods of plenty, or when hardship pressed heavily on him? The one view involves an economic interpretation of progress; the other, a biologic. The latter holds that progress comes through elimination. Disease, war, famine, hardship and misfortune are its main agents. When they cease, or when human sympathy prevents elimination, the forces making for degeneration are supposed to be operative. Even if this is the way in which physical degeneration happens, it does not follow that social degeneration is thus caused. The latter, as is well known, starts in periods of prosperity and is checked, not promoted, by economic failure or hardship. This type of degeneration must be analyzed and accounted for before we can determine the part elimination should play. Let me, therefore, picture the situation in which it arises and the evils that flow from it.

Let us suppose that the introduction of economic improvements

enables the yearly income of each family to be raised from \$500 to \$600. One of two results can follow. Each man can work less than before and maintain the old standard, or he can put out the same energy as before and have a higher standard. If he puts out less energy, there will be a slump in his social standards; if he puts out the same or more energy, a rise in these standards will follow. The adjustment taking place in either case springs from a social and not from a biological change. If the social standard is raised to meet the new economic situation, new acquired characters must be formed; if the social standard is lowered, some of the old acquired characters are lost. Every improving economic situation brings this choice. Some men take one and sink, while others take the other and rise. Social degeneration is thus a constant menace in an advancing society. Either new characters and higher standards must be acquired, or degeneration sets in reducing the vitality of the group.

The problem then is: Can this new situation be met by the acquisition of new social characters or must a biologic evolution be put in operation? The answer again raises the issue between the economic and the biologic interpretations of progress. The premises of the biologic progress need not be restated. The elements of the economic interpretation, however, demand elucidation. The series of steps from economic improvement to social adjustment are: more industrial activity, a higher standard of life, more will power, greater moral vigor and increased religious enthusiasm. This series divided itself into two parts: the strictly economic changes with which each epoch of progress starts, and the thought changes that grow out of them. Thought changes differ from the economic in that they are psychic and not material; but they are similar in that being acquired they do not demand biologic improvement. The whole series from social degeneration to social adjustment may be completed without any alteration in innate characters. For each stage of economic improvement there is a group of acquired characters that must be imposed to secure social adjustment. Social evolution must follow economic improvement, or social degeneration sets in. It is this fact that brings social morality and social religion in harmony with economics, making material and religious progress a part of one scheme.



One of the anomalies of the biologic theory of progress is that at one point its advocates set aside biologic knowledge, and put in its place an antiquated social theory. I refer to the Malthusian theory of population. I presume that a hundred years ago the data of Malthus might have been called historical, but this kind of history has long since passed away. The old notion of man assumed that sexual instinct was so strong that social institutions could not keep it from injuring the race. Malthus had no inkling of purely economic checks to population. The industrial advance of the last century has shown what these checks are and how they work. The rise in the standard of life has set limits to the increase of population in all classes affected by it. An even greater force is the economic independence of woman due to her admission into industry. So strong are these purely economic forces that the cry of race suicide has displaced the old fear of overpopulation.

The case, however, does not rest here; biology has come to the aid of economics by showing how defective the old notions of sex were. It is true that men have strong sexual instincts, but in normal woman they are weak. The fact is that man loves the woman and the woman loves the child. Evolution has given man strong sexual, but weak parental instincts, while the reverse is true of woman. The male all through the biologic evolution of life has been eager to beget offspring, but has cared little for them when they appear. The female has had little motive to beget offspring, but has a powerful impulse to preserve them. These qualities would not create overpopulation unless supplemented by qualities acquired since social institutions remolded the ideas and relations of men and women. Women have been subjected to men; men, on the other hand, have been forced by social pressure to care for their children. In overpopulation, we thus find four elements. Man's passion and woman's love of children are natural. Woman's subjugation and man's support of his offspring are acquired. Social adjustment would do away with the subjugation of women; it would also do away with unsocial man who will not support his children. The desire of man for sexual indulgence can be checked by making him care for wife and child. Mothers will cease to have large families when their freedom is assured. Social causes are sufficient to bring both of these changes, and with them the bugbear of overpopulation loses its terrors.

I recently asked a prominent social worker whether biologic or economic arguments were the more effective in checking the degeneration. His reply was that physical degeneration and its consequences would arouse a reaction in public opinion that economic arguments could not effect. Striking pictures of decadent classes can be visualized, and through them the emotions are so aroused as to prevent their perpetuation. The weakness of this argument is the same as that of philanthropy. Sympathy is on the side of the weak, and when their suffering is vividly portrayed relief is usually forthcoming. It, however, acts intermittently and not enough relief is given to rehabilitate the sufferer. Half support is socially worse than no support, and yet this half support is all that philanthropy is able to evoke. And so it will be with the horrid pictures that biologic reformers seek to employ. No doubt some forms of elimination can be set in operation in this way. But they will only be against the horrors of picturesque degeneration, and not against its underlying causes. So long as the economic mill grinds a new grist of degenerates in each generation, the elimination of a few Juke families will be of no avail.

The economic basis for the elimination of dependency does not rest on present physical horrors nor on the prophecy of worldwide disaster at distant dates. The line between those to be perpetuated and those to be cut off is the line of self-support. The criminal, the vicious, and the pauper cost the public each year more than their full support would cost. It seems like a prodigious undertaking to withdraw this class permanently from society, but the burdens they create would thus be reduced and the stimulus of progress would be instantly felt. It is only the economic argument against exploitation, woman's degradation and the half support of defectives that is effective; and reformers must resort to it for all deep-seated reforms. Biology may startle, and philanthropy may occasionally bring us to tears, but they have no cure for the underlying evils blocking human progress.

The viewpoint of the preceding discussion is that of social adjustment and not of race progress. I have tried to show that through changes in acquired characters, social adjustment can be secured and degeneration removed. If, however, the doctrines enunciated are correct, the way to race progress is also open.

The biologic view emphasizes elimination, but it does not bring out what are the positive qualities that are to be developed or how they are to be impressed. There is a vague belief that if the weak are removed a stronger man will come, but there is an ominous silence as to where we are to look for him or how to know him when he arrives. The economist, however, does not have to predict or to guess; for the new man and the new woman are already on hand in large numbers. On the negative side, also, the sort of elimination that economic forces bring into operation is plain. The elimination is against sexual appetite in man, and fear in woman. It favors social and aggressive qualities. Man is becoming social; woman is becoming aggressive. In primitive societies the sexual man dominated, forcing women into subjection. This continued as long as military societies shaped social evolution. Woman's industrial freedom breaks these bonds and enables the more aggressive to survive. The check thus put on man's passion drives the unsocial man to seek intercourse outside the family. The over-sexed thus buy their indulgence and avoid the high costs of supporting wife and children. The evolution of men while not complete is apparent, as are also the aggressive tendencies of the modern woman freed by industry from her long-standing subjugation. All this is readily seen and often commented on. The trouble is that men do not like it, and oppose it as much as they can. They are not willing to regard as evolution the economic changes that alter their social qualities, but denounce them in season and out. But whether they like it or not, they are in the grip of inexorable law that will socialize them in spite of themselves. We need less sex and more will power. Both changes are under way, and from them the radical uplift will come, opening up new vistas of progress.

The biologic type of religion is, as Professor Carver affirms, a "red-hot" religion. To my mind this is the reason why it has fallen into disrepute. The religion of the sword and the religion of peace have only a name in common. The one initiates struggle and brute contests which separate brother, friend and nation; the other unites them into an harmonious whole. All the feelings and sympathies the one arouses are suppressed by the other. The religion of the Thirty Years War was truly a "red-hot" religion, but thirty years of it was as much as Europe could stand. We

should tire of brutal elimination even more quickly if it were tried. There is a great difference between the socially adapted and the socially suppressed, between the unfit and the exploited, between preventing retardation and creating race progress. We know how to aid social adjustment and how to conserve human life. For them we are responsible, and in their favor religion and morality should be aroused. We do not yet know how to secure race progress; we should therefore object to crude experiments until further biologic knowledge opens up sane methods of securing it. When we line up to what we know, we can begin to reach out to the unknown.

Speaking of the failure of Christianity to check degeneration, Professor Carver says "the larger and more influential the sect, the less successfully has it met it." He might also have said the greater and more influential the civilization, the more apparent has its failure been. These being the facts, what is the church to do? Shall it try to improve civilization so that it can meet the test of prosperity, or shall it extend Christianity so that it shall become a universal religion? We know how to extend Christianity. We can, if we will, make China a Christian nation. Every needed element is well in hand; we require only time, money and energy to bring about the desired change. Much of the difficulty of conserving civilization is due to the limited area in which it is supreme. A world civilization would be much more secure and the ways to supplement its weakness would be much more apparent.

There is, however, more than this back of my position. To increase knowledge is within the power of only a few rare men. In the spread of knowledge every man can take part. Not to use the missionary spirit, now active, would be a misfortune. To turn ordinary men from solved problems to biologic enigmas would be a crime. There never was a time when to do something useful was as easy as at present; nor was there ever a time when to be truly original was as difficult. All the easy roads to immortality have been trodden. Homer's *Iliads*, Plato's *Republics*, Shakespeare's dramas and Kant's *Critiques* can no longer be picked up by the wayside. We need "Immortals" badly enough, but to get them is increasingly difficult. Shall we teach clergymen to "hitch their wagons to a star," or to follow well-paved roads to social usefulness?

To this there is but one answer. We economists err as often in answering it for our own students as when we offer religious advice. All our students can be taught to help their neighbors improve their lives. Few of them can face with success unsolved problems. When a returning student says to me, "I am tired of doing other people; tell me how I can help them," it is easy to point out satisfying ways of doing this. But when a budding economist says, "I am tired of the old theory of value; tell me how to make a new one," the only reply I can make is that I have tried all my life to do this and have failed. Feeling this in my own field, I do not hesitate to offer like advice to Christians. The missionary harvest is ready for all earnest workers. That we cannot solve the problems the next century has to face is no reason for not doing a present duty. In the meantime, some "Immortal" may open up avenues of further progress by removing obstacles that no civilization has been able to overcome. This, however, is his duty not ours.

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## REVIEWS AND NEW BOOKS

### General Works, Theory and Its History

*Le Mouvement Physiocratique en France (de 1756 à 1770).* By GEORGES WEULERSSE. Two volumes. (Paris: Felix Alcan. 1910.)

*Les Manuscrits Economiques de François Quesnay et du Marquis de Mirabeau aux Archives Nationales; Inventaire, Extraits et Notes.* By GEORGES WEULERSSE. (Paris: Librairie Paul Geuthner. 1910.)

Not since Cannan's *Theories of Production and Distribution* or Halévy's *Formation du Radicalisme Philosophique* has economic literature been enriched by so notable a contribution to the history of thought as the study of the rise and growth of the Physiocratic movement in France which M. Weulersse has given us. In scholarship and in grasp it dignifies the author and brings new distinction to the traditional preëminence of French economists in the domain of doctrinal history.

To be counted among the demerits of the *Wealth of Nations* was a singularly inadequate description of the *Economistes*. The sheer plausibility of the exposition, however, gave it vogue; and almost to our own generation, despite the indignant disclaimer of French commentators and the greater accessibility of original texts, Adam Smith's famous chapter remained the source of popular opinion and textbook narrative. The labors of Schelle, Bauer, Higgs, Oncken, Hasbach dispelled the conventional estimate by brilliant monographic studies. Higgs's charming *Six Lectures* even outlined a broader survey. But a comprehensive estimate of the Physiocratic school and its doctrines has long remained a desideratum and this M. Weulersse has now filled with completeness if not finality.

The work extends over two stout octavo volumes of nearly fourteen hundred closely printed pages. It is divided into five books which treat successively of the origin and growth of the movement, of its economic program, of its political and philosophical elements, of the practical realization of the propaganda, and of the attacks upon the system and the doctrinal defense. As to material, M. Weulersse has, without neglecting secondary sources, fairly steeped himself in a primary literature of unusual obscurity, and has caught its spirit and content with brilliant success. From

first to last the book thus displays sure intimacy and hard scholarship. The author has been unsparing, almost merciless, in documentation, the footnotes and bibliographies forming probably not less than a fourth of the entire text. It is inconceivable that some errors of fact should not have crept into this encyclopedic notation. Mr. Higgs's alert vigilance has called attention to a curious slip as to Cantillon. But, as this distinguished critic himself adds, the mere mention of such possible lapses almost suggests hypercriticism.

Impressive as is the work throughout, probably the section dealing with the rise and growth of the sect will be read with keenest enjoyment by the general student of doctrinal history. Just as in England, the middle decade of the eighteenth century saw in France the beginning of systematic economic thought. In 1748 appeared Montesquieu's *L'Esprit des Loix*; a year later came Rousseau's *Discours*. In 1750 Mirabeau published his *Mémoire* and in 1752 the first volume of the *Encyclopédie* and the initial number of the *Journal Economique* saw light. Then followed a period of direct contact with English thought, in train of that more subtle influence of Locke, Shaftesbury, Warburton, which Oncken and Bauer have before noted. In 1752 the *Journal* began to publish regularly extracts from English papers; Secondat translated Josiah Gee's *Trade and Navigation*; Forbonnais abridged King's *British Merchant*; Butel-Dumont adapted John Cary's *Essay*; Gournay translated Child and Culpeper; Danguel took inspiration and matter from Tucker's *Brief Essay*; and publishers vied in successive issues of Hume's *Essays*. Finally, Cantillon, even in Turgot's time, was ranked with Montesquieu among the founders of the new science. In 1756 Quesnay published his first economic work and with it the history of the Physiocratic movement in France begins.

JACOB H. HOLLANDER.

*Johns Hopkins University.*

*Die gegenwärtige Krisis in der deutschen Volkswirtschaftslehre.*

By LUDWIG POHLE. (Leipzig: A. Deichert'sche Verlagsbuchhandlung. 1911. Pp. xvi, 136. 2.50 m.)

"Today it is a widespread practice in German economic science not merely to set forth the facts and investigate their relations, but also to weigh them and criticize them from the standpoint

of fixed moral-political ideals." This is the burden of Professor Pohle's *Betrachtungen*. Economics must be divorced from its political tendencies if it is to be a science, is his plea. German economics, he says, can hardly be called a science, because it lacks systematic coherence, and this is largely due to the infusion of ethical pseudo-theories by the *Kathedersozialisten*, especially Schmoller and his school. More specifically, he mentions (1) a lack of system and clearness in German texts; (2) a deficiency in impartial treatment of facts (e. g., tariff); (3) an overvaluation of state activity (e. g., in ascribing to it higher wages and shorter hours for labor); (4) injustice to opposing views, as those of J. Wolf, Ehrenberg, and himself. He attacks the *Verein*—of which he is no longer a member,—citing illustrations of its political ends. Its members, he charges, seek not to explain trade-unions, but to justify them. Brentano and even Phillipovich come in for some criticism.

The situation is the worse because the "Socialists of the Chair"—an appellation Professor Pohle uses constantly—dominate in the universities and high schools. They control the admission of privat-docents and largely determine the election of professors. The author sees danger in a lack of stimulating freedom and clash of ideas.

The pamphlet gives an interesting view of the conflict between the historical and the neo-classical schools in Germany, and presents some acute criticisms of the methods and conclusions of the former group. Especially pertinent is the insistence upon technical improvements and the opening of new lands as important elements in improving wages and conditions of labor; and also the warning that economic science cannot set up to be a cause and a sanction for political policies. Professor Pohle, however, clearly goes too far in denying the economic peculiarities of labor and organized labor and in holding that trade-unions are like monopolies of capital. Also he denies the effectiveness of legislation in establishing shorter hours in too sweeping a fashion. To the reviewer a golden mean seems possible. Undoubtedly the ethical "too much" and "too little" are used in excess in German economics; but is it not, for example, possible to ascertain a scientific minimum for wages based upon physiological and chemical data?

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LEWIS H. HANEY.



*Grundzüge der Volkswirtschaftslehre (Theoretische Nationalökonomie und Volkswirtschaftspolitik.) Ein Studienbehelf für Hochschüler.* By DR. HERMANN RITTER VON SCHULLERN ZU SCHRATTENHOFEN. (Vienna: F. Tempsky; Leipzig: G. Freytag. 1911. Pp. 478. 12kr.; 10 m.)

Dr. von Schullern, who has prepared this book as a text-book for German high schools, is one of the faculty of the Royal Agricultural High School of Vienna. For American readers, therefore, the book can have interest and value only or chiefly as it throws light on the substance and form of the teaching of economics in such schools.

Part I, on the "fundamentals," treats of needs, goods, economy and national economy, motives of human activity, the goal of human activity, the science of economics, methods of investigation, economic laws, and auxiliary sciences. Part II is a sketch of the development of economic life and economic thought. Part III, on theoretical national economy, has eight chapter divisions, which, following the introduction, discuss in order economic value, wealth, production, exchange, income distribution, the use of goods, and pathological conditions of the social economy (crises). Part IV, an abridged treatment of economic policy, has seven chapter divisions devoted to introduction, a general statement of the problems, the problem of production, the chief questions regarding trade policy, population policy, remarks on poverty, and conclusion.

In view of the purpose of the book, little need be said concerning the author's position on mooted points of theory. In general, he accepts the concepts and treatment and conclusions of the older economics. Here and there, in cases where present-day controversy is keenest, he contents himself with stating the development of the various theories. Of special significance is the fact that the author devotes a whole division of the book, considerably more than a fourth of the whole, to a discussion of practical economic policies; and this, too, in addition to the practical discussions accompanying the treatment of the several parts of economic theory.

With the exception of rather too numerous typographical slips, e. g., qualitative for quantitative (p. 60); inflgoe for infolge (p. 68); grund etsich for grundet sich (p. 80); and Werkkapital for Wertkapital (p. 97), the book is up to the usual excellent standard of German bookmaking. The index is satisfactory.

GEORGE RAY WICKER.

*Dartmouth College.*

*Outlines of Economics, Developed in a Series of Problems.* By MEMBERS OF THE DEPARTMENT OF POLITICAL ECONOMY OF THE UNIVERSITY OF CHICAGO. Second edition. (Chicago: The University of Chicago Press. 1911. Pp. xvi, 144. \$1.00.)

This is, as the prefatory note says, "a revised, expanded, and to a considerable extent rewritten" edition of the *Outlines* which was put out in tentative form in 1910. (See review in the AMERICAN ECONOMIC REVIEW, June, 1911.) The book now appears in a permanent binding and in better form throughout. The chief changes, aside from a growth from 120 to 144 pages, are the following: There is a more careful outlining of distribution, especially in the sections on interest. "Capital," under the productive process, is much reduced in scope, many of the questions being transferred to the outline of interest and saving. This is a decided gain. There is noticeably less detail in the treatment of certain topics, like railroads. Somewhat more emphasis is placed on searching questions, and fewer questions calling for a knowledge of economic history are asked. The balance is well struck between developmental questions, leading the student by easy steps from one thought to the next, and searching questions requiring a close reading of the text used with the *Outlines*. Altogether, teachers of economics to college freshmen and sophomores should welcome this aid gladly. There has been a material reduction in price. The book deserves a large enough sale to enable the publishers to make a still further reduction.

A. B. W.

#### NEW BOOKS

ANDERSON, B. M. *Social value.* (Boston: Houghton Mifflin. 1911. Pp. xviii, 199. \$1.00.)

To be reviewed.

BERNER, A. *Die Theorie vom Arbeitslohn. Untersuchungen über die jüngste Lohntheoretik und die Möglichkeit eines allgemeinen Lohngesetzes.* Rechts- und staatswissenschaftliche, No. 43. (Berlin: E. Ebering. 1911. Pp. 175. 4.50 m.)

CHAPMAN, S. J. *Outlines of political economy.* (New York: Longmans. 1911. Pp. xvi, 413. \$1.25.)

To be reviewed.

CORNAH, J. R. *Simple economics for Indian schools and colleges.* (New York: Longmans. 1911.)

- ELSTER, L. *Wörterbuch der Volkswirtschaft*. Two volumes. (Jena: Fischer. 1911. 45 m.)
- FISHER, I. *De la nature du capital et du revenu*. Translated by SAVINIEN BOUYSSY. (Paris: Giard et Brière. 1911. Pp. 480. 12 fr.)
- GEAS, M. *Du machinisme et de ses conséquences économiques et sociales dans l'industrie moderne*. (Paris: Rousseau. 1911.)
- GIDE, C. *Economie sociale. Les institutions de progrès social*. Fourth edition, revised and enlarged. (Paris: Larose et Tenin. 1911. 6.75 fr.)
- GOLDSCHIED, R. *Höhrentwicklung und Menschenökonomie*. Grundle-  
gung der Sozialbiologie, I. Philosophisch-soziologische Bücherei,  
Vol. VIII. (Leipzig: Werner Klinkhardt. 1911. Pp. xxvi, 664.  
15 m.)
- HUAN-CHANG, C. *The economic principles of Confucius and his  
school*. Columbia University Studies in Political Science, Vols.  
XLIV, XLV. (New York: Longmans. 1911. Pp. xiii, 756.  
\$5.00.)
- KLEINWACHTER, F. *Lehrbuch der Nationalökonomie*. Lehrbuch der  
Volkswirtschaftspolitik, Vol. II. (Leipzig: Hirschfeld. 1911.  
Pp. x, 274. 5 m.)
- KOEPP, C. *Das Verhältnis der Mehrwerttheorien von Karl Marx und  
Thomas Hodgskin*. Studien zur Sozial- Wirtschafts- und Verwal-  
tungsgeschichte, No. 6. (Vienna: C. Konegen. 1911. Pp. xviii,  
289. 7 m.)  
To be reviewed.
- LLOYD, T. *The theory of distribution and consumption*. (London:  
Nesbit. 1911. Pp. 524. 15s.)  
To be reviewed.
- MAUNIER, R. *Les économistes en France de 1815 à 1848*. (Paris:  
Giard et Brière. 1911. 1.50 fr.)
- MILLS, H. E. *Socialism and the labor problem; outlines for reading  
and study*. (Poughkeepsie, N. Y.: H. E. Mills. 1911. Pp. 63.  
50c.)
- DE PAEPE, C. *Objet de la science économique*. (Gand: Volksdruk-  
kerij. 1911. Pp. 98.)
- PERLS, K. *Die Einkommen-Entwicklung in Preussen seit 1896  
nebst Kritik an Material und Methoden*. (Berlin: Puttkammer &  
Mühlbrecht. 1911. Pp. 236. 4.40 m.)
- PHELAN, R. V. *A syllabus for Economics I, interpolated with ex-  
pository, critical, and interpretative matter*. (Minneapolis: H. H.  
Wilson Co. 1911. Pp. 140. 80c.)

REYNOLDS, J. B., editor. *Civic bibliography for greater New York.* (New York: Charities Publication Committee. 1911. Pp. 296. \$1.50.)

A guide for students and investigators of social conditions.

LA SERVE, P. DE. *Mably et les physiocrates.* (Poitiers: Société Française d'Imprimerie et de Librairie. 1911. Pp. vi, 163.)

STRYK, G. *Wilhelm von Humboldts Aesthetik als Versuch einer Neubegründung der Sozialwissenschaft.* (Berlin: Puttkammer & Mühlbrecht. 1911. Pp. 129. 3.20 m.)

WILSON, R. K. *The province of the state.* (London: King. 1911. Pp. 310. 7s. 6d.)

### Economic History and Geography

*A Documentary History of American Industrial Society.* Volumes IX and X, *Labor Movement, 1860-1880.* Edited by J. R. COMMONS and J. B. ANDREWS. (Cleveland: A. H. Clark Company. 1911. Pp. 378, 370. \$50 for set of ten volumes.)

With the appearance of volume X the publication of *A Documentary History of American Industrial Society* is brought to a successful conclusion. The work has proceeded with commendable promptness since the inception of the undertaking and less than two years have elapsed since the appearance of the first volume. The last two volumes contain documents that illustrate the history of the labor movement between 1860 and 1880, though some still later tendencies are suggested in the introduction, which is signed by both editors.

The period covered is aptly characterized by the editors as the "middleman-period," during which the dominating figure in the industrial world becomes the merchant-jobber, who acts as agent between the scattered manufacturers and producers on the one hand and the large manufacturers, wholesalers, and retailers on the other. This development is caused by the rapid railway building and the consequent extension of the market and the separation of producers. Even the business of furnishing transportation is invaded by the middleman, who buys it at wholesale from disconnected railways and sells it to unorganized producers. The growth of credit and of "intangible" capital—goodwill, etc.—strengthened the power of the middlemen, and made them appear a menace to the small producers. Farmers and laborers alike therefore sought to control the agencies of capital and credit by means of which they saw themselves being exploited. One way

by which they thought to do this was through the greenback movement. Considerable space is given in the editor's introduction to an estimate of this movement, and a suggestive comparison with contemporary European radicalism is made, but no documents are presented in connection with these points.

More important in the history of the labor movement of this period was the organization and growth of the National Labor Unions from 1866 to 1872, and to these most space is given in the collection of documents. Little has ever been written about these remarkable national gatherings, in which were discussed the foremost labor problems of the day. Strikes, co-operation, hours of labor, and finally greenbackism were given leading places on the program. In 1870 it was decided to organize an independent political party, and soon thereafter the National Labor Union was wrecked on the rocks of politics and industrial depression. Such a national organization was in fact premature, for the separate trades had not yet been amalgamated, only four national unions existing in 1860. The Knights of Labor, originally organized in 1869 for educational and moral objects, again drew the wage-earners together, especially after 1877, but failed to achieve the results hoped for by its members. The organization lost its power and finally remained, in the striking phrase of the editors, only "a bushwhacking annoyance on the heels of its successor, the American Federation of Labor." Comparatively little space is allotted to material illustrative of this organization.

Not only are the various phases of the labor movement clearly set forth in their relations to one another, as greenbackism, agrarianism, and shorter hours; but their connection with contemporaneous movements in Europe is described—all are considered parts of a general movement springing from western civilization. Thus greenbackism in the United States corresponded to socialism in Europe; the Marxism of the older country took the form of a movement for shorter hours in this. Of all the reforms mooted at the various labor congresses that of a reduction of hours became the most important. The consideration of this problem in the volume under review is made to centre round the work and writings of Ira Steward, who is said by the editors to have formulated "what may be called the first philosophy springing from the American labor movement. The importance of Steward's contribution, in giving shape and justification to American labor's

most characteristic demand, cannot be overestimated and has not been fully recognized." An interesting comparison of Steward's theories with those of Marx and George brings out the theoretical bearings of the eight-hour movement. This is the only section of the documents which is furnished with a separate introduction.

One of the valuable features of the last volume is an account of the farmers' organizations and their assignment to a proper place in the labor movement of this period. The editors have throughout the series given a broad interpretation to the phrase "industrial society," and have properly emphasized the importance of the public domain and of other features of the economic environment in the United States. Fully half of the last volume is given up to a list of sources and of places where they can be found, and to an exhaustive analytical index.

Now that the series has been completed, and it is possible to estimate the work as a whole, only the highest praise can be given the editors for the scholarly and able fashion in which they have performed their task; criticism of minor features must give way at this point. The result is a noteworthy collection of most valuable documents, which fully justifies the large expenditure of time and money involved in their publication; many of these must soon have been completely lost but for their timely rescue and preservation in this form by Professor Commons and his co-editors. Some of them deal, indeed, with phases of our industrial development which had been completely forgotten, as the National Trades Union movement of 1834-1836. But not merely has this material been preserved to future students; it has also been interpreted in masterly fashion. The broad movements of social change, which have been so generally neglected by historians, are here treated with a firm grasp, and their relations to one another and to other phases of our national development clearly indicated. The last eight volumes form a distinctly unified work, describing the labor movement from 1806 to 1880; only the first two volumes stand somewhat apart from the rest of the series, dealing as they do with the development of the South. Much of the work done may be called definitive, but along many other lines new problems are opened up which will call for much patient research and skilful presentation.

ERNEST L. BOGART.

*University of Illinois.*

*New England. What It Is and What It Is To Be.* Edited by GEORGE FRENCH. (Boston: Boston Chamber of Commerce. 1911. Pp. xii, 431. \$1.50.)

This volume, edited and published under the direction of the Boston Chamber of Commerce, is symbolic of the high rank of that organization. The book, compared with others of its kind, is of exceptional merit. It expresses the desire to acquaint the people of New England with their own section of the United States, and to furnish them with the means to acquaint others. It does not presume to be an historical or descriptive work resulting from the research of a single author. It represents the contributions of many men, a few of whom are recognized as men of research and authorship, and others of whom as men of experience, in the fields of their respective contributions. It is neither a history of achievements, a catalogue of opportunities nor an estimate of the future—though it is something of each. While not entirely free from self-consciousness, the facts and possibilities presented—and this is its distinction among books of the kind—are soberly stated. The volume considers among others the following phases of New England: manufacturing; agriculture; commerce; water-power; soils; forestry; transportation; workmen; good roads; industrial Boston; possibilities of future development.

H. S. PERSON.

*Tuck School, Dartmouth College.*

*History of Fall River, Massachusetts.* Compiled by HENRY M. FENNER. (Fall River: Fall River Merchants' Association. 1911. Pp. 106. \$.50.)

This brochure was prepared under the direction of the historical committee of the Merchants' Association upon the occasion of the cotton centennial, held at Fall River last June, to celebrate the one-hundredth anniversary of the beginning of cotton manufacturing in that place. It contains a description of the physical environment of Fall River, an historical account of its settlement and growth as a town and later as a city, and a brief sketch of early cotton manufacturing and other industries, of the development of water power, and of the local banks, schools, churches and municipal departments. The committee expresses the hope that its work may be the basis of a more extensive his-

tory of Fall River. Certainly the importance of the city and its rôle in the industrial development of New England warrant a more careful study than this hurried compilation which was prepared and published in less than two months. It is to be hoped that the larger work will trace fully the development of the cotton industry in all its phases. To exact this of the present sketch, perhaps, would be unfair; as an attractive souvenir of an interesting occasion it is to be commended, both for the civic spirit which inspired it and for the mechanical excellence of its execution.

E. L. BOGART.

*University of Illinois.*

*American Commercial Legislation before 1789.* By ALBERT ANTHONY GIESECKE. (New York: D. Appleton and Company. 1910. Pp. 167. \$1.50.)

The subject of commercial legislation in the thirteen colonies is one which exhibits somewhat unique obstacles to integral treatment. To avoid a successive rehearsal of the acts of each colony several plans suggest themselves. The legislation of the colonies might be regarded as a complement to the mercantilist navigation and trade laws of the Empire, or treated as the roots of our national tariff policy, with selection and emphasis of features appropriate in each case; or all the different regulations actually made might simply be classified and catalogued. Dr. Giesecke has employed the method last named; and it is perhaps the only one suited to so complete a treatment as he has undertaken. In describing each class of acts he has used general statements as far as identities or similarities could be found in the policy of any two or more colonies; but the fundamental difficulty of having to recount in order the doings of particular colony after colony could not be escaped, and makes the book somewhat hard reading.

The author begins by reviewing briefly, and on the whole very well, the English mercantilist commercial policy and the character and machinery of control exercised over the colonies in the interest of that policy. It seems unfortunate, however, that "the belief that wealth consisted in money,—gold and silver" should be unqualifiedly stated as one of the two fundamentals of mercantilism. Import and export duties; bounties, inspection laws, and



embargoes; tonnage duties; and port regulations, are the subjects of succeeding chapters. Nearly all of these elicited recurrent legislation by each of the colonies, but any consistent policy even in the individual colony is hard to trace. Revenue appears to have been the paramount consideration in most cases, but the encouragement of home merchants, shipping and industry, appear constantly as minor and often as major objects. The interference, often ineffectual, of England with whatever appeared to counter the functioning of the colonies in her economic policy had continually to be reckoned with.

A scanty chapter on the Revolutionary and Confederation periods and a general summary finish the book. Dr. Giesecke's review of the mass of colonial acts seems very complete and painstaking. Copious specific citations and a good bibliography aid in making the volume a handbook of facts quite indispensable to students of our commercial and particularly of our tariff history.

LEE BIDGOOD.

*University of Virginia.*

*Mémoires et Documents pour Servir à l'Histoire du Commerce et de l'Industrie en France.* Publiés sous la direction de JULIEN HAYEM. (Paris: Hachette et Cie. 1911. Pp. xii, 252. 7.50 fr.)

Published under a title almost identical with that of the two volumes of Fagniez, this book provides a welcome continuation of his well-known collection, beginning in the sixteenth century, where he leaves off, and continuing even into the nineteenth. The two works differ, however, not only in the periods covered, but also in the spirit and method. Fagniez published his documents as an aid to the study and teaching of history, and, for the most part, let his texts speak for themselves. The editors who have collaborated in the present volume have their eyes as much on the problems of the present as on the facts of the past; they have chosen broad topics bearing on the origins of the modern industrial organization, and have selected and rearranged the material of the archives so that they offer, in most cases, historical essays rather than the bare documents.

Guitard writes on the woolen industry in Languedoc, with some very interesting illustrations of provincial regulations which were

independent of, and in some cases antedated, the national regulation of manufactures; "Colbert n'inventa rien," he says in this connection. Mathieu contributes notes on industry in Limousin, chiefly when Turgot was the *intendant* of the province; and Hayem writes on strikes of the sixteenth and eighteenth centuries, and on French commerce in the Mediterranean during the latter part of the seventeenth century. This last essay is another blow to Colbert's reputation, for Hayem uses the archives of foreign relations to prove, against Masson's view, that the Mediterranean commerce of the French at the time was burdened with unusual difficulties and restrictions. Short articles cover a Brazilian festival celebrated at Rouen in 1550, and an interesting code of regulations adopted in a Parisian jewelry factory in 1809, and published here in facsimile. The longest single text printed is Bignon's memoir of 1698 on Picardy; and even of this the editor has wisely chosen to reproduce in its entirety only the portion describing the manufactures of the province, printing Boulainvilliers' summary of the remainder.

There is an intimation in the preface of the volume that it may be followed by others of a similar character; any student of modern economic history who reads the book and realizes the value of its contents will certainly hope that this may be the case.

CLIVE DAY.

*Yale University.*

*Die Juden und das Wirtschaftsleben.* By WERNER SOMBART.  
(Leipzig: Duncker und Humblot. 1911. Pp. xxvi, 476.  
9 m.)

This is a very important work, and one which no student of Jewish history or of economic history in general can afford to ignore. The position, attainments and anti-Jewish leanings of the writer (the latter being obvious in some unsympathetic chapters in this very work) command for his conclusions not merely careful consideration, but a large measure of acceptance, for they are based upon a thorough study of hundreds of specialized, little-known books and monographs in almost every language. The author explains that he came to write this work because, when undertaking the preparation of a new edition of his "Modern Capitalism," he became convinced that Jewish participation in

the development of modern economic society was much greater than had been imagined; and, as this subject had never therefore been adequately treated, he devoted two years of his time to a study of sources and of the disjointed monographs referred to, followed by the preparation of the present work, as a preliminary to resumption of his main work. He identifies the geographical dispersion of the Jews through Europe and America, beginning with their expulsion from Spain in 1492, with the economic fate of the different countries and cities involved; and points out that the abrupt decline of Spain, the sudden development of Holland, the decline of so many cities of Italy and Germany, and the development of others, such as Leghorn, Lyons (transitionally), Antwerp (transitionally), Amsterdam, Hamburg, London, Frankfurt and the American colonies cannot be sufficiently accounted for by the heretofore accepted explanations of the discovery of the sea-route to the Indies and the transfer of governmental power and the like. He consequently proceeds to demonstrate by a mass of proof (often contemporary sixteenth and seventeenth century documents) that these resulted in large part from the settlement of Jews there. He points out that, much as has been written about the Jews, on the most important question, their position in economic history, scarcely anything of prime importance has been said, for neither modern capitalism nor modern culture would have developed without the dispersion of the Jews among the northerly countries of the world. On the other hand, he contends that in the most recent period their commercial importance has commenced to wane. It is, of course, impossible to enumerate here even a few of the hundreds of incidents in varying fields that Professor Sombart has marshalled together to prove his thesis; he goes into details, equipped with an unsurpassed, though somewhat colored knowledge of economic history in general, with the help of which he gauges the various Jewish items he relies upon, though throughout he admits that specialized studies should be pursued to fill in the pages which he has only outlined.

Particularly interesting is his sketch of the commercial development of the various modern centers of commercial activity and Jewish participation therein, his outline of Jewish command of the various lines of trade in the sixteenth and seventeenth cen-

turies, his studies of Jews as royal contractors and financiers, and the share of the Jews in introducing and developing negotiable paper, corporate shares of stock and bonds, public and private, and trade therein, and in founding stock and other exchanges, as well as the economic point of view, all of which are today fundamental for our economic society. Naturally enough, the defender of such thesis—despite his denial that he has written a thesis—is bound to exaggerate the influence he outlines, ignores other important factors, is often misled by inaccurate “authorities” which he relies upon, and occasionally fails to view particular incidents in their right proportions and perspective. In fact, probably the weakest portion of the book is that dealing with contemporary American conditions, while Russia, which contains more than half the Jewish population of the world, and whose history does not confirm his theories, is almost wholly ignored. But these circumstances, after all, do not detract materially from his general conclusions.

As a treatment of the subject indicated by its title, the work is incomplete, treating in substance only of the last three or four centuries, which are the important ones in Professor Sombart’s theories as to the development of capitalism. In consequence, probably, he does not even cite Roscher’s masterly little essay, dealing with the important earlier period, “Die Juden im Mittelalter” in *Ansichten der Volkswirtschaft* (II, 321-354; 1878), nor Professor Gross’ very able study “Exchequer of the Jews of England in the Middle Ages” (*Papers Anglo-Jew, Hist. Exhibition*, 1887), nor even (except on a side point) Caro’s recent scholarly work *Sozial- und Wirtschaftsgeschichte der Juden* (1908), of which only Volume I, dealing with the “Early and Middle Ages,” has thus far appeared. It is regrettable that these works are either not available at all to the student reading English only, or are almost inaccessible.

By far the best portion of Professor Sombart’s work is the first section (pp. 3-182), treating of the “Part of the Jews in the Development of Economic Society.” His second section (pp. 183-336), dealing with the “Qualifications of the Jews for Capitalism,” is not only less valuable, but goes so far afield as to devote some seventy pages to an unsympathetic and very one-sided speculation concerning the “Significance of the Jewish Re-

manufacture in Switzerland from the latter part of the eighteenth century to the present time. As in England, the manufacture of machinery was originally dependent upon the textile industry which, during the closing years of the eighteenth century, was passing out of the handicraft stage into the modern factory system. Among the conditions fostering an early and rapid growth of the machine industry in Switzerland were the general backwardness of the iron industry on the continent (which gave to the Swiss manufacturer a certain advantage over other continental producers), the skill of native manufacturers and the peace from 1814 to 1848.

The year 1848 is marked by the adoption of a constitution providing for a stronger union between the different cantons and the introduction of the railroad. The former transferred to the union the power to levy customs duties and the latter rendered the old particularism practically impossible. During the period from 1848 to 1874 the trend towards free trade gave great impetus to the manufacture of machinery in Switzerland.

The period from 1874 to the present time has been characterized by a deepening of scientific knowledge and the spreading of technical education. The constitution of 1874 increased the authority of the central government and gave it the power to determine the conditions of employment in factories. The effect, however, of the industrial crisis of 1873 was a serious setback, and the return of the continental countries to high protective tariffs, a severe blow to the Swiss machine industry. Nevertheless the author is not pessimistic in his outlook for the future of the industry.

The writer's discussion shows the intimate relations existing between the manufacture of machinery in Switzerland and the foreign market. The influence of the tariff policies of the various European countries upon the home industry, forcing the nation virtually to adopt the "opportunistic" tariff of 1906, furnishes an interesting and instructive study of the effects of tariff legislation.

ABRAHAM BERGLUND.

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POUCHENOT, M. *Le budget communal de Besançon au début du XVII<sup>e</sup> siècle.* (Paris: Honoré Champion. 1910. Pp. 131.)

This pamphlet, though complete in itself, is only a part of an economic history which the author proposes to write.

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RAST, R. *Handel und Gewerbe, Kunst und Wissenschaft in Nürnbergs schwerster Zeit, 1631-1635.* (Nuremberg: J. L. Schrag. 1911. Pp. 60. 1 m.)

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## Agriculture, Mining, Forestry, and Fisheries

*Large and Small Holdings. A Study of English Agricultural Economics.* By HERMANN LEVY. Translated by RUTH KENYON with considerable additions by the author. (Lon-



don: Cambridge University Press. 1911. Pp. viii, 249. 10s. 6d.)

This volume presents a study of the economic forces which bring about changes in types of farming, with especial attention to changes in the size of farms. The thesis is essentially this: Grain farming can, with profit, be conducted on a larger scale than livestock or truck farming. Which of these products will receive the especial attention of the farmer depends upon their relative prices upon the market. The demand for meat and vegetables is more flexible than the demand for wheat. When the price of wheat rises (the income of the consumers remaining the same), the tendency is to cut down the consumption of vegetables, meats, butter, cheese, new milk, eggs and poultry. This discourages the livestock industry at the same time that wheat growing is stimulated, and wheat growing sets a premium on large farms. In terms of this one force, the increase in the size of farms in England during the latter part of the eighteenth century and the first part of the nineteenth century is explained. In terms of the reverse operation of this force—namely the falling of wheat prices in England during the last quarter of the nineteenth century, and, according to Levy's principle, the consequent increase in the proportion of the income of the people expended for vegetables, meats and other animal products, thus discouraging the growing of wheat and encouraging the production of the other classes of products—he explains the decrease in the size of farms in England during the past thirty years.

The work is so well done that it will stand as a very important contribution to the subject of agricultural economics, but it is to be regretted that so much research should have been expended in an attempt to establish the hypothesis that changes in size of farms in England can be explained in terms of this one principle, instead of attempting to describe all the forces which were operating to bring about changes in the size of farms. May it not be true that the withdrawing of domestic manufactures from the homes of small farmers had something to do with the failure of the small farmer in England during the closing years of the eighteenth century? Other suggestions will occur to the student of the economic history of that period. The recent changes in the size of farms may be due in the main to changes in the relative

value of wheat and animal products, but even here there is a suggestion such as was made by the agent of a large English estate a few years ago in conversation with the reviewer, to the effect that falling prices had so reduced the wealth of many farmers that they could not command the capital to operate large farms, and as a result the demand for small farms was heavy and the demand for large farms was light. An investigation might show this force to have been working in harmony with the principle to which Levy gives his entire attention.

But while some criticism seems due, Levy deserves great credit for working out in detail the way in which one economic force has operated during a century and a half of English history. This volume will doubtless hold an important place in the literature of agricultural economics for many years.

H. C. TAYLOR.

*University of Wisconsin.*

*Rural Denmark and its Lessons.* By H. RIDER HAGGARD. (London: Longmans, Green and Company. 1911. Pp. 335. \$2.25.)

To the general public the author of the work before us is doubtless best known as a writer of fiction, but to students of agricultural economics he is most favorably known as a modern follower of Arthur Young. His works entitled *Rural England* and *A Farmer's Year*, besides various briefer articles and pamphlets, place him among the leading agricultural observers of the present day. The present work is the result of a tour of inspection of agricultural conditions in Denmark. No country would better repay such a tour of inspection. As the result of a disastrous war, itself a heavy drain upon the country, Denmark lost some of her richest provinces, and found her German market cut off by the German tariff wall; therefore in the late sixties she was facing national bankruptcy. But as a result of this accumulation of calamities, there developed a most intense national patriotism and a determination to rebuild the country through productive industry, particularly agriculture. This spirit of patriotism developed into a spirit of productive coöperation; and as the result of this spirit productive forces were reorganized and agriculture was revitalized, and in the short space of fifty years Denmark became the most prosperous country on the Continent. Such a

unique accomplishment as this makes any serious study of Denmark of the greatest possible interest.

The author traveled about the country not in Arthur Young's style, on horseback, but by modern means of transportation, accompanied by a secretary and interpreter. A great deal of the work is purely descriptive and therefore difficult to summarize in a review of this kind; but the author's descriptive powers, which have been well tested in his earlier work of fiction, enable him to write on a serious subject such as this with unusual vividness. Throughout the book he is continually contrasting what he sees in Denmark with what he has already seen in England, and with which, presumably, the English reader is more or less familiar. He leaves no doubt that in his opinion the comparison is very much to the disadvantage of England. Four chapters are of particular interest to the general student of rural economics, namely: "The Economic Position of Danish Agriculture"; "Coöperation in Denmark"; "Comments on Coöperation"; "Small-holding Ownership in Denmark."

The general result of his observation on the economic condition of Danish agriculture is that there is very little visible poverty or squalor or drunkenness—particularly no tramps. But he finds that the land is heavily mortgaged, on the average up to about half its selling value. To some this would seem like a bad sign, but the author does not agree to this. He thinks that it merely signifies the faith the people have in their land and their own ability to prosper. Since the mortgages are almost entirely held by co-operative banks, and since these banks lend for nothing except productive purposes, it is safe to infer that for every mortgage there is a corresponding increase in the productive power of the farms.

Coöperation in Denmark, it must be observed, is only a kind of quasi-coöperation. There is no really coöperative farming. There are no farms that are run coöperatively by the farmers themselves. The coöperation is wholly in the field occupied by the middlemen. That is, the farmers organize coöperative creameries, coöperative bacon-curing factories, coöperative banks, but they run their farms individually. The author compares the market opportunities of the Danish farmer under this régime with those of the English farmer, very much to the advantage of the former; for it seems from his comments that the English agricultural market is very

badly organized. It would be interesting to see whether the American agricultural market would suffer by comparison with the Danish—that is to say, whether the grower of a pig receives in this country a smaller percentage of the final value of the cured product than he does in Denmark; but no such figures are given in the work before us. He is emphatically of the opinion that one obstacle to coöperation in England is the lack of farm owners, for he thinks that only farm owners will coöperate. Tenants have not a sufficient permanency of interest, and moreover are afraid that if they should become more prosperous their rents would rise—an opinion which the single taxer will not be slow to take advantage of.

The author's observations regarding small-holding ownership in Denmark are not so flattering as might be expected. The very small holdings, financed by the state, seem to have been of dubious expediency. That is, it is doubtful whether the purchaser of a small holding (say  $7\frac{1}{2}$  acres) is any better off than a farm laborer. It must obviously result in a rather inferior application of labor to the land.

Aside from the information afforded regarding the economic conditions of Denmark, this work is a valuable illustration, to the student of economic science, of an extremely important and very much neglected method of economic investigation.

T. N. CARVEB.

*Harvard University.*

*Landwirtschaftliche Studien in Nordamerika mit besonderer Berücksichtigung der Pflanzenzüchtung.* By K. VON RUMKER and E. VON TSCHERMAK. (Berlin: Paul Parey. 1910. Pp. xvi, 151; 71 illustrations. 5 m.)

This book is the report of a three-months' study of American educational institutions and experiment stations by the authors in 1909, under the auspices of the German and Austrian governments. The purpose of their visit was a thoroughgoing inquiry into the status of investigative plant breeding in America, especially in its experimental and practical aspects, and incidentally a survey of certain other agricultural problems of a more general nature. Their report deals with the technical and scientific, rather than the economic aspects of the agricultural industry.

The book consists of five chapters, and is based on first-hand

observations and data, supplemented by a presentation of authoritative publications on problems of heredity and plant breeding. It is apparent that America is clearly a leader in experimentation and research connected with maize, grass and fodder plants. Chapter 3 discusses methods and technical expedients; chapter 4 deals with miscellaneous agricultural investigations,—soils, fertilization, machinery, etc.

Because of its wealth of concrete material, its classified bibliographies, and its comprehensive summarizations, the book should prove very helpful and suggestive to both the general student of agriculture and the specialist in plant breeding. Moreover, it exemplifies the advantages which accrue to both science and humanity from the interchange of scientific ideas and the survey of scientific progress and methods in countries not our own.

ALEXANDER E. CANCE.

*Massachusetts Agricultural College.*

*The Sugar Beet and Beet Sugar.* By SAMUEL JODIDI. (Chicago: The Beet Sugar Gazette Company. 1911. Pp. 76.)

The little book consists of articles originally published in "The Beet Sugar Gazette." It contains, first, a brief account of the origin and development of the beet sugar industry in Europe and especially in the United States, followed by a more detailed discussion of technical matters pertaining to the agricultural and the manufacturing phases of the industry. The articles were intended to be of practical use to farmers and factory managers, and there is little in the book of direct economic interest. It does, however, offer a convenient brief summary of farm and factory practice. An appendix contains a reprint from the Year Book of the Department of Agriculture for 1908, of an article on the by-products of the beet sugar industry.

E. V. R.

#### NEW BOOKS

BRIGHTHOUSE, H. *The price of coal.* (London: Gowans & Gray. 1911. 6d.)

CARVER, T. N. *Principles of rural economics.* (Boston: Ginn & Co. 1911. Pp. xx, 386. \$1.30.)

To be reviewed.

FAY, A. H., editor. *The mineral industry, its statistics, technology and trade during 1910*. Volume XIX, supplementing Volumes I-XVIII. (New York: McGraw-Hill. 1911. Pp. xiv, 904, tables, diagrams. \$10.00.)

GREGORY, M. H. *Checking the waste; a study in conservation*. (Indianapolis: Bobbs-Merrill Co. 1911. \$1.25.)

GRUNDBERG, K. *Die Agrarverfassung und das Grundentlastungsproblem in Bosnien und der Herzegowina*. (Leipzig: Duncker & Humblot. 1911. Pp. 120. 3 m.)

GRUNBERG, M. *Die staatliche Ausnützung der Wasserkräfte in der Schweiz*. (Zurich: E. Speidel. 1911. Pp. 115. 2 m.)

HALBFASS, W. *Das Wasser im Wirtschaftsleben des Menschen*. Angewandte Geographic, Series IV, No. 3. (Frankfurt: Heinrich Keller. 1911. Pp. viii, 133. 3.50 m.)

HARTL, C. *Bayern auf dem Weg zum Industriestaat. Eine vergleichende volkswirtschaftliche Studie über die Ausnützung der bayerischen Wasserkräfte, sowie über Staats- und Privatbetrieb in den Industrien der schwarzen und der weissen Kohle*. (Munich: M. Steinebach. 1911. Pp. 117. 2 m.)

KELLOGG, R. S. *The cost of growing timber*. (Chicago: American Lumberman. 1911. Pp. 18. 25c.)

KOSKOWSKI, G. *La question agraire au royaume de Pologne*. (Paris: Giard & Brière. 1911. 4.50 fr.)

KRONACHER, C. *Bilder von einer landwirtschaftlichen Gesellschaftsreise durch England und Schottland*. (Hanover: M. & H. Schaper. 1911. Pp. 164, illus., map. 4 m.)

LOUTCHISKY, J. *L'état des classes agricoles à la veille de la révolution*. (Paris: H. Champion. 1911. Pp. 108. 2 fr.)

To be reviewed.

MANN, A. R. *Beginnings in agriculture*. The rural textbook series. (New York: Macmillan. 1911. Pp. xii, 341, illus. 75c.)

PARENTI, E. *I salari agricole nella provincia di Piacenza; loro variazioni in questo ultimo trentennio*. (Piacenza: V. Porta. 1911. Pp. 22.)

REDWAY, J. W. *Commercial geography; a book for high schools, commercial courses, and business colleges*. (New York: Scribner's. 1911. Pp. x, 423, map, illus.)

ROBERTSON-SCOTT, J. W. *The sugar beet; some facts and some illustrations*. (London: Cox, The Field Office. 6s.)

SAGNIER, H. *Le crédit agricole en France, ses origines, son essor, son avenir*. Preface by JULES MELINE. (Paris: Librairie Agricole. 1911. Pp. xv, 160. 3 fr.)

To be reviewed.

SEMPLE, E. C. *Influences of geographic environment*. (New York: Holt & Co. 1911. Pp. xvi, 683.)

To be reviewed.

STEVENS, H. J. *The copper handbook*. Tenth annual edition. (Houghton, Mich.: Horace J. Stevens. 1911.)

Describes 8,130 copper mines in all parts of the world.

SWART, A. G. N. *Rubber companies in the Netherland East Indies*. (Amsterdam: J. H. de Bussy. 1911. Pp. xviii, 307, 3.00 fl.)

TISCHMEYER and H. WERNER. *Landwirtschaftliche Reisebilder aus England und Schottland*. Arbeiten der deutschen Landwirtschaftsgesellschaft, No. 184. (Berlin: Paul Parey. 1911. Pp. vii, 68, illus., tables. 2 m.)

## Manufacturing Industries

### NEW BOOKS

BROWN, J. H., editor. *Lamb's textile industries of the United States*. (Boston: James H. Lamb Co. 1911. Pp. vi, 460.)

Embraces biographical sketches and a historical résumé of the progress of textile manufacture.

KOSSMANN, W. *Über die wirtschaftliche Entwicklung der Aluminum-industrie*. (Frankfurt: J. Baer & Co. 1911. Pp. 118. 2 m.)

KRANTZ, F. *Die Entwicklung der oberschlesischen Zinkindustrie in technischer, wirtschaftlicher und gesundheitlicher Hinsicht*. (Kattowitz: Gebrüder Böhm. 1911. Pp. iv, 92, illus. 6 m.)

KRAWANY, F. *Internationale Papier-Statistik*. (Berlin: Verlag für Fachliteratur. 1911. Pp. viii, 250. 20 m.)

MILLS, J. C. *Searchlights on some American industries*. (Chicago: McClurg. 1911. Illus. \$1.50.)

OSTERMAYER, A. *Untersuchungen über die Ertragsfähigkeit der mährischen Bauernbetriebe*. (Brünn, Austria: Buch und Betriebsabteilung des Landeskulturrathes. 1911. Pp. 251. 10 m.)

SCHIDROWITZ, P. *Rubber*. (London: Methuen. 1911. Pp. xv, 303.)  
First part deals with production and consumption. Favorably reviewed in "Nature," Sept. 14, 1911.

SCHONEMANN, J. *Die deutsche Kaliindustrie und das Kaligesetz. Eine volkswirtschaftliche Studie*. (Hannover: Hahnsche Buchhandlung. 1911. 4.50 m.)

SCHOOLING, J. H. *The British trade book*. (London: Murray. 1911. 10s 6d.)

In this, the fourth issue, the tables are brought up to date, and there is much additional information resulting from new investigations.

- SIMMERBACH, O. *Die Bedeutung der Eisenindustrie in volkswirtschaftlicher und technischer Hinsicht*. Sammlung berg- und hüttenmännischer Abhandlungen, No. 70. (Kattowitz: Gebrüder Böhm. 1911. Pp. 19. 1.20 m.)
- SIMMERBACH, O. *Die Begründung der oberschlesischen Eisenindustrie unter Preussens Königen*. (Kattowitz: Gebrüder Böhm. 1911. Pp. 41. 2 m.)
- WESTENBERGER, B. E. *Holzspielwarenindustrie im sächsischen Erzgebirge unter besonderer Berücksichtigung der Hausindustrie*. (Leipzig: O. Wigand. 1911. Pp. 149. 3 m.)

### Transportation and Communication

#### *Railway Rate Theories of the Interstate Commerce Commission.*

By M. B. HAMMOND. (Cambridge: Harvard University. 1911. Pp. vi, 200. \$1.00.)

This excellent little book is a reprint of articles contributed to the "Quarterly Journal of Economics" in 1910 and 1911. The aim of the author is to arrive at a complete theory of rate-making through an "inductive study" of the principles and tests employed by the Interstate Commerce Commission in its regulation of rates. The work is based on a careful examination of 135 leading cases settled between 1887 and 1906. Beginning with the approval given to the "value of service" theory in the first report of the commission, the author shows that in fact the commission has not found it possible to fix rates on so vague a principle, but that it has in its decisions set up several more definite standards, namely, value of commodity, cost of service, distance, natural advantages of location, competition, fair return on investment, and class and sectional interests. These the author considers separately, showing by analysis of illustrative cases how each has been employed in the adjustment of rates. His discussion of these points is most admirable. He then points out, with perhaps a little exaggeration, the extent to which these various tests, with the exception of the last, are simply expressions in differing forms of the cost principle, and declares his conviction that "the tendency of the Interstate Commerce Commission's decisions is, on the whole, towards a cost-of-service theory of rate-making." He concludes by formulating, in eight propositions, a "comprehensive theory of rate-making" resting upon the cost doctrine as its fundamental basis.



Some of the readers of this book will not indorse unqualifiedly this theory of rates, nor will they sympathize fully with the author's fondness for the cost-of-service principle. To them it may seem that he ignores the broader aspects of the railway problem,—that he fails to consider many of the excellent opportunities for the promotion of economic, political and social welfare which may be realized through the fixing of transportation rates. But whatever the reader's view upon that point may be, he cannot fail to recognize the substantial merits of the work, which is an exceptionally valuable addition to the literature of the railway problem.

H. S. SMALLEY.

*The University of Michigan.*

*Problems in Railway Regulation.* By HENRY S. HAINES. (New York: The Macmillan Company. 1911. Pp. 582. \$1.75.)

This is a thoughtful attempt to analyze the present tendencies of railway regulation in the United States. A semblance of perspective is given by the inclusion of loosely knit material on the history of transportation. It cannot be called a scholarly work, however, and evidences of a desire of book manufacture are abundant. There is, moreover, a lively attitude of defense against the regulatory encroachments of the Interstate Commerce Commission, and a certain hesitancy to express judgment at points—which one is not sure may not result from a desire to preach by implication rather than from scholarly modesty—both of which show bias in favor of a mere let-alone policy.

The book begins with a fair sketch of railway history, in which financial and traffic conditions are interestingly correlated with regulatory policies. The chapter on recent railway regulation might have been combined with the one on problems of rate-making with advantage in conciseness. In the rather ill-digested chapter on "Problems in Finance," the author assumes on pretty slight grounds that United States railways are not overcapitalized, and concludes that the great majority of dividends are reasonable for the reason, apparently, that most are under 8 per cent on the capital stock! He seems to believe that the federal government cannot control capitalization; and the chapter is an attempt to set forth a mass of legal and

economic difficulties. There is an interesting résumé of problems in construction, which emphasizes the cost and complexity of needed improvements. In the chapter on "Operation," the chief topic dealt with is accidents and safety appliances, and the story is so told as to imply that the interference of the public hindered the adoption of adequate safety devices. The chapter on "Rates" has as its burden the argument that the margin between cost per traffic unit and revenue per unit is decreasing, and that net earnings are to be kept up by increased density of traffic. This thesis is supported by very shaky statistical methods, notably an allocation of joint expenses on the sole basis of revenue and an exaggeration of the statistics for the years 1908-1909. Some injustice is done to those who would emphasize cost in rate-making; for at one point the author argues that if such a principle were put into effect, the rates on the same classes of freight would vary so greatly on different lines that confusion and discrimination would result, which argument overlooks the fact that a single (marginal) rate would have to prevail, whatever the basis; and again (p. 444), he says that "the prevailing conception" that rates should yield a revenue which would give a normal profit on capital overshadows in the minds of cost adherents the idea of reasonableness and justice as between persons, whereas there is really no inconsistency here: one idea deals with aggregate revenue, the other with particular units of revenue.

As to the Interstate Commerce Commission's policy, Mr. Haines' conclusions are: (1) that a virtual petrification of tariffs is the result of the present rate-making basis, and (2) that, while current earnings may be applied to improvements, such betterments cannot be capitalized for further profit.

LEWIS H. HANEY.

*University of Texas.*

#### NEW BOOKS

ALBERTY, I. M. *Der Ubergang zum Staatsbahnsystem in Preussen. Seine Begründung, seine Durchführung und seine Folgen.* (Jena: Fischer. 1911. Pp. 359, tables. 8 m.)

BENNETT, E. *The post office and its story.* (London: Seeley Service Co. 1911. Pp. 356. 5s.)

CLAPP, E. J. *The port of Hamburg*. (New Haven: Yale University Press. 1911. Pp. xii, 220. \$1.50.)

To be reviewed.

FRAHM, J. *Das englische Eisenbahnwesen*. (Berlin: Springer. 1911. Pp. iv, 323, illus., map. 20 m.)

HARRY, A. *Die historische Entwicklung der schweizerischen Verkehrswege mit besonderer Berücksichtigung des Transits und der Fluss-Schiffahrt*. (Frauenfeld: Huber & Co. 10 m.)

HUNGERFORD, E. *The modern railroad*. (Chicago: McClurg. 1911. \$1.75.)

KUMPMANN, K. *Die Entstehung der rheinschen Eisenbahngesellschaft 1830-1844*. Die Veröffentlichung des Rheinsch-Westfälischen Wirtschaftsarchivs in Cöln. (Essen-Rhur: G. D. Baedeker. 1911.)

MALCOLM, J. H. *The merchant shipping and relative acts classified for reference*. (London: Hodge. 1911. Pp. 400. 12s. 6d.)

MEYERS, H. B., editor. *The journal of proceedings of the twenty-third annual convention of the national association of railway commissioners*. (Chicago: H. B. Meyers. 1911. Pp. 600. \$7.50.)

QUAAATZ, R. *Der nationale Gedanke und die Eisenbahnen*. (Berlin: G. Stilke. 1911. Pp. 44. 0.50 m.)

SALLEBERT, E. *Etude sur la Loire navigable au point de vue économique*. (Paris: Giard & Brière. 1911. Pp. 164.)

TALBOT, F. A. *The making of a great Canadian railway*. (Philadelphia: Lippincott. 1911. Pp. 349. \$3.50.)

### Trade, Commerce, and Commercial Crises

*Grundzüge der Handelspolitik*. By LUIGI FONTANA-RUSSO. (Leipzig: Duncker und Humblot. 1911. Pp. x, 448. 10 m.)

Professor Fontana-Russo's book is intended to be a contribution towards a systematic presentation of the aims, the factors, the limitations and the effects of foreign commercial policies. Considered as such, it is disappointing. Originally written in Italian, it takes little cognizance of the work of the German economists on the subject, and it contains many contradictory statements. To a very large extent the treatise is an exposition of the beneficial effects of correctly conceived and well applied protection.

The volume is divided into three parts. Part first deals with the origin and the nature of international trade, with the comparative costs of production, with the balance of trade and the fiscal balance, with the movement of specie and the foreign exchange. Here the author appears to be of the opinion that international commerce is usually profitable to both parties engaged

in it, that it increases the wealth of both. But in the second part of his book, when he comes to the consideration of the various tariff systems, he abandons this view. The chapters on the relations between the commercial policy of a country and its economic development as the latter finds its expression in the formation of trusts, in the increased density of population, in the growth of capital, and in the distribution of wealth, contain many correct statements and deductions, but a number of these are not brought to their logical conclusions, and in their general tenor the chapters are not in sympathy with the ideas expressed in the first part of the book. After reviewing the arguments for protection and for free trade, the author concludes that protectionists do not base their reasoning like free-traders upon a chimerical cosmopolitanism but that the foundation for their theory may be found in the development of the productive forces of a nation. He cheerfully subscribes to Balfour's statement that what leads to an increase in the productive efficiency of the world may spell injury to an individual state.

The last part of the book presents the technique of commercial policies. It contains a great deal of theorizing on what should be the height of import duties as well as on the shifting and the incidence of taxation by means of such duties. Of a more technical character are chapters discussing the different kinds of duties, commercial treaties, the most-favored-nation clause, and commercial statistics.

SIMON LITMAN.

*University of Illinois.*

*System der Welthandelslehre. Ein Lehr- und Handbuch des internationalen Handels.* By JOSEF HELLAUER. Allgemeine Welthandelslehre, Vol. I, Part 1. (Berlin: Puttkammer und Mühlbrecht. 1910. Pp. xvi, 482. 10 m.)

The first volume of the work under review, dealing with international trade in general, is intended primarily as a textbook for business high schools, while the second volume, to be used chiefly as a book of reference, will describe the special characteristics of business methods in different countries. Only three chapters of the first volume have yet appeared, treating respectively of the basis of international trade, its organization, and business con-

tracts. Chapters on exchange and prices as features of foreign commerce are to complete the first volume.

With the avowed object of constructing an independent science of international trade, the author treats the subject, not as a branch of economics, but as a study in itself. He is interested rather in the processes by which the exchange of merchandise is effected than with the underlying economic factors. Accordingly, production and means of communication, as factors in the development of commerce, and customs duties, restrictions, and prohibitions, as obstacles to be overcome, receive in the first chapter much briefer treatment than is accorded in the following chapters to the more technical subjects. The second chapter is devoted to an elaborate, systematic analysis of the organization of foreign trade. Each step in the movement of goods from the producer, through the various middlemen to the consumer is traced with painstaking care, first in general and then, in greater detail, for export trade and for import trade. Both in the case of exportation and of importation, separate treatment is given to the organization in the exporting and in the importing country and the means by which the exporter and the importer are brought together. Much repetition is necessarily involved. For example, the useful enumeration of the advantages and disadvantages of handling foreign trade directly or through commission houses appears in more or less detail and in slightly different connections in at least three separate passages. Public markets and fairs, auctions, and produce exchanges are described. In the third chapter different kinds of business contracts, agreements, and documents are discussed, specimens of several of the more usual forms being reproduced. The stipulations in regard to the quality and quantity of the goods, packing, time and place of delivery, price and conditions of payment are treated at great length. The description of contracts for future delivery, with special reference to German and Austrian usage, merits particular mention.

The systematic outline of the technique of international trade and the bibliographical references will doubtless prove helpful to many investigators, notwithstanding the laborious treatment, the numerous repetitions, and the subordination of economic considerations to the forms of business organization.

FRANK R. RUTTER.

*Washington.*

## NEW BOOKS

CALWER, R., editor. *Jahrbuch der Weltwirtschaft*. (Jena: Fischer. 1911. Pp. 1104. 20 m.)

A systematic presentation of international commerce. For each country, official statements are made on population, farming, forestry, finance, etc., showing the possibilities of economic development and existing international relations.

COATES, W. H. *The old "country trade" of the East Indies*. (London: Imray. 1911. 3s. 6d.)

JEBB, R. *The imperial conference*. Two volumes. (New York: Longmans. 1911. Pp. xlix, 402; viii, 404. \$10.00.)

An historical study of the development of the conference from 1887.

OPPENHEIMER, F. *Trade and industries of Germany*. (London: King. 6d.)

The consular-general's report for 1910 and January-April, 1911.

REESSE, J. J. *De suikerhandel van Amsterdam, van 1813 tot 1894*. (Gravenhage: Martinus Nijhoff. 1911. Pp. xx, 158. Pp. 66. 3.50 fl.)

SCHAR, J. F. *Allgemeine Handelsbetriebslehre*. Handelshochschul-Bibliothek, No. 11, Vol. I. (Leipzig: G. A. Gloeckner. 1911. Pp. xxiv, 352. 7.50 m.)

The first volume gives logical and practical business principles. The second volume is to be published within a year.

SCHRADER, P. *Die Geschichte der königlichen Seehandlung (Preussische Staatsbank) mit besonderer Berücksichtigung der neueren Zeit auf Grund amtlicher Quellen bearbeitet*. (Berlin: R. Trenkel. 1911. 5 m.)

SCHUSTER, A. F. *The German commercial code*. (London: Stevens & Sons. 1911.)

WIEDEMANN, E. A. *Die Entwicklung der deutsch-dänischen Handelsbeziehungen in den letzten 30 Jahren*. (Braunschweig: F. Vieweg & Sohn. 1911. Pp. xl, 294, tables, diagrams. 6 m.)

WRIGHT, B. C. *San Francisco's ocean trade, past and future*. (San Francisco: A. Carlisle & Co. 1911. Pp. vi, 212.)

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— *Commercial encyclopaedia*. (London: Pitman. 1912.)

The work is to be completed in about 36 fortnightly parts, each of which will cost 7d. net. In the treatment of banking special attention is given to the practical side of the business.

## Accounting, Business Methods, Investments and the Exchanges

*The Science of Accounts.* By HARRY C. BENTLEY. (New York: The Ronald Press Company. 1911. Pp. 393. \$3.00.)

This work exposes clearly the common faults which pervade the teaching and practice of bookkeeping, and shows scientifically how they may be corrected. It draws its illustrations from actual business; consequently it is both illuminating and interesting. It has the bearing of authority, and its discussions are convincing. On the other hand, the arrangement of the book is unsatisfactory; the different parts are not well knit together into a whole; treating of system, the book is itself unsystematic in the arrangement of its subject matter. For the most part, the discussions are clear and to the point, but occasionally they are shrouded in vague terminology and rather pointless distinctions. Everything considered, however, the book is perhaps the best extant treating of general accountancy; at any rate, so considered, it has been adopted by the reviewer as a text for his classes in Cornell University.

It consists of six parts, an appendix and an index. Part I is devoted to Elementary Principles and Definitions; Part II, The Science of Classification; III, Elements of Cost Accounting; IV, Financial Statements, their Form and Arrangement; V, The Theory of Accounts, C.P.A. Examination Questions; VI, Special Classification of Ledger Accounts. The appendix contains (1) a selected bibliography of municipal and public service accounts; (2) an arrangement of trading accounts suggested by a "prominent New York accountant"; and (3) exercises in classification for students of accountancy.

Part I (76 pp.), in nine rather disconnected chapters, presents the principles and definitions necessary to the bookkeeper and accountant. The treatment is elementary; the *principles* would better be termed *rules*, which, however, are quite clearly stated and explained. As to the fundamental nature of debits and credits, upon which the science of accounts rests, there is no clear-cut scientific analysis; there are only rules of thumb, fairly well stated, but hardly approaching science. In this respect, the book is utterly outclassed by Professor Hatfield's, Professor Cole's and others.

Part II, The Science of Classification, is excellent; while criti-

cisms may well be made of the order of arrangement, and in some instances on the point of clearness, nevertheless, it has a positive *raison d'être*, and perhaps it fully atones for the shortcomings of the rest of the volume. In sixteen chapters (134 pp.), it presents the principal classes of accounts, showing their interrelation, what items should be debited and what credited, and what facts particularly each account should represent. The author scores particularly the *mixed account*, which merges together values of altogether different natures. Thus, the merchandise account on the debit side, usually contains (1) goods on hand at the beginning of (say) the month, (2) goods purchased during the month and the direct cost connected with them, (3) goods sold and subsequently returned by customers. Items (1) and (2) are cost values and item (3) is a selling value (a different thing altogether); consequently their summation is a mixture and tells nothing definite of the business. The credit side of merchandise contains (1) goods sold and (2) goods purchased and later returned by the business: again, (1) is a selling value and (2) is a cost value, and their sum is a confusion. Furthermore, the direct balance of merchandise is absolutely meaningless: it is neither asset, nor gain or loss, nor anything else distinctively. In a well-kept account, the sum of debits for the month should signify a definite fact about the business, the same being true of the credits; and the balance of the two sums should be an asset, a gain or loss, or some other definite thing. Other mixed accounts besides merchandise are currently used, and they should be uniformly condemned because they have no statistical value to the business. The author shows quite satisfactorily how accounts should be classified so as to furnish clear and accurate records for the business. His classification is based upon scientific principles, and is by far the best general classification published.

Part III (32 pp.), discussing the function of cost accounting and describing the so-called production order and process methods, is altogether an inadequate treatment of cost accounting and might better have been entirely omitted. Parts IV (44 pp.), V (14 pp.), and VI (65 pp.), though all are important, might well have been placed in the appendix rather than in the main body of the book.

JOHN BAUER.

*Cornell University.*



*Investments and Speculation.* By LOUIS GUENTHER. (Chicago: La Salle Extension University. 1910. Pp. 389.)

This is one of the series of volumes upon business administration issued by the above-named university. Part I, including the first half of the work, is by Mr. Guenther, and is supplemented by special chapters from other writers on various investment topics. It is intended as "a popular textbook" (p. 89) to interest men in the study of business, so that they may make a success of their calling. But its more specific object is to enable men to make money, for the editor-in-chief, Mr. Walter D. Moody, in his introduction, declares that the only object of engaging in business is "to accumulate money." The introduction is a notable piece of business sophistry. In it, the editor says: "Ten years ago President James (of the University of Illinois) would have been ridiculed for advancing this new idea for the establishment of a school of commerce in connection with a university." This is erroneous, for President (then Professor) James had already advocated this in a pamphlet on higher commercial education; and there were at that time at least three universities with such departments, viz., University of Pennsylvania, New York University, and University of Vermont.

Mr. Guenther has made his work interesting; he enforces the principles of sound investments; he carefully warns against what is injudicious; and at the same time, he adds a good deal of human interest in the historical data which he presents (e. g., chaps. 7, 11, 33).

But the work as a consistent body of teaching, and bearing the name of a university, is seriously marred. There is loose reasoning, when, e. g., the author says: "If the human race preferred stones as money, gold would then have no value" (p. 5). Then, the instruction is occasionally imparted by implication from special cases, rather than by logical statement. Bad sentence structure is observed; e. g., "It is in determining the collateral securing them that counts" (p. 41); the expression "sufficiently large enough" (p. 42); "In other directions is the attention of the operator on the grain exchange drawn" (p. 166); "The products of the soil is the most important of . . . factors" (p. 239). The wrong word is sometimes used; e. g., "anti-dating" (p. 63) instead of "ante-dating," and "full paid" (p. 104) instead of

"fully paid." Even slang is interjected; e. g., he says that a growing settlement "may rashly bite off more than it can masticate" (p. 53); "roping in credulous investors" (p. 133); and he refers to the man who will "eventually go broke" (p. 157). An apparent contradiction is noted, when (p. 146) he says that there is no margin-trading on the New York Stock Exchange, while (p. 148) he goes on to illustrate the complexity of trading in margins, by taking as an example a transaction in Union Pacific stock carried out (presumably) on the New York Stock Exchange.

The investigation of the affairs of a concern by an investor before he puts his money into it, is a point well taken. But such an investigation as he suggests (pp. 103-107), while extremely desirable, could be made only by an expert, and is beyond the reach of the regular business man whom the author is addressing. He urges the fact (p. 107) that financial statements may be made to deceive; and yet he does not say how to guard against deception, except "by the exercise of a little bit of intelligence." The truth is that many of the most intelligent business men are unable to decipher the ordinary financial statement, much less one in which something is concealed. We fail to see any logic in his reasons for saying that "panics are useful, since they are viewed as necessary at times to bring about an adjustment between industry and capital available for its exploitation" (p. 174). Men of the best judgment deplore the continuance of panics, and see no good in them. One of the chief considerations in financial reform is to prevent panics if possible.

Part II contains chapters on special subjects by other writers. Some of these handle the same subjects that are treated in Part I, but usually with more detail, and sometimes from a slightly different point of view. Certain of these chapters are of special value. John Moody on "Safety and Security" of investments shows in a helpful way what securities may be safely accepted and what should be avoided; Thomas Gibson on "Fundamentals and Security Prices" is suggestive, and will tend to stimulate an interest in the relation of fundamental commercial factors (e. g., crops, money, etc.) to security prices; and Babson on "Forecasting Trade Conditions by the Area Theory," while interesting to the expert, is too technical to be treated in so short a space for the average business man.

Altogether, as "a popular textbook" for the class to whom the author appeals, this work will have value; but it utterly fails to come up to the high standard set by the editor-in-chief in his introduction.

WILLIAM T. JACKMAN.

*University of Vermont.*

*The Stock Exchange. A Short Study of Investment and Speculation.* By FRANCIS W. HIRST. Home University Library, No. 5. (New York: Henry Holt and Company. 1911. Pp. 256. \$.75.)

The average investor and speculator should find this book, written by the editor of "The Economist," a very readable and easily understood book on a much misunderstood subject. Unfortunately, Mr. Hirst's book refers but slightly to the organization and mechanism of our large stock exchange markets, and the many important services which they render to the business community. But this, no doubt, was purposely avoided, it being the object to protect the average investor and speculator who possesses "a natural passion for high interest," or who is prone too often to be "an easy prey to some plausible rogue."

The book contains nine chapters entitled: "The Early History of Banking and Stock Jobbing"; "The London Stock Exchange, 1800-1910"; "London Foreign Market and the Foreign Bourses"; "Wall Street"; "Good Securities and the World of Investment"; "Speculative Securities and Modes of Speculation"; "Why the Prices of Securities Rise and Fall"; "The Creation of New Debt and Capital"; and "Cautions and Precautions." The first three chapters contain many statistics and historic facts relating to the development of stock-jobbing, the London Stock Exchange and the joint stock company. A vivid description is given of England's leading panics and booms. Statistics are furnished to show the extent to which the British public is interested in foreign securities, and reasons are given why the London Exchange is the world's principal market in foreign securities. In these chapters, and in fact throughout the book, elementary descriptions of certain stock exchange practices in London and New York are given, such as the relation of broker and jobber, the system of clearing, the fortnightly settlement, the call loan system in New York, listing, the ticker and quotation service, etc.

The chapters on "Wall Street" and "Speculative Securities and Modes of Speculation" are perhaps typical of the book, both emphasizing the prevalence of speculation and the great dangers connected therewith, at least, so far as the unsophisticated lamb is concerned. The author is particularly hard on Wall Street. The vicissitudes of the margin dealer are portrayed and the danger of "overtrading" emphasized. New York is characterized as the "chosen haven of speculators," and the author sarcastically remarks that "the rarefied air of New York acts like champagne upon a nervous and excitable population." After reading the chapter on "Wall Street," the reader would certainly not expect the author to admit that "New York must be valued fairly, not as a sort of gambling hell, but as a nerve centre of North American enterprise."

Investors and speculators are given prudent advice: Avoid overtrading and promise of "romantic profits"; deal with brokers or bankers of respectable standing; purchase marketable securities for which there are official quotations and only securities which are fully paid up.

S. S. HUEBNER.

*University of Pennsylvania.*

*Principles of Industrial Engineering.* By CHARLES BUXTON GOING. (New York: McGraw-Hill Book Company. 1911. Pp. vi, 174. \$2.00.)

Mr. Going, the managing editor of "Engineering Magazine," has placed before the public, in this volume, the materials presented for several years, in the form of lectures, at Columbia University. His purpose is to trace the outlines of the subject of industrial engineering, and to present its ideals and principles broadly, but in a just scale of proportion. Industrial Engineering, alternative titles for which are Works Management and Efficiency Engineering, is distinguished from the older established branches of engineering by reason of the prominence of economic and human elements in it.

There is a broad survey of the evolution of the mass production system, of which the chief characteristics are aggregation, standardization and specialization. The third chapter takes up the leading administrative functions of industrial units. Following Harrington Emerson, the distinction between line and

staff organization is given prominence, and the difference between the positions taken by Emerson and Taylor, with respect to line organization, is made clear. The continuity of treatment is broken in the fourth chapter to insert a brief description of the forms of corporate organization. In the middle of the chapter, however, the author switches back to the main theme, and takes up the organization of production departments.

Two chapters are required for the explanation of the nature and distribution of expense; in the latter of these is an interesting account of five methods of distributing shop expense. Chapters 7 and 8 are devoted to wage systems. These are classified into two categories; those like the day-wage, piece-rate, Halsey, and Rowan systems, which are merely wage plans and do not require an accompanying special system of shop management; and those like the Taylor, Gantt, Emerson, and Gilbreth systems, which are parts of a comprehensive plan of scientific management. The concluding chapter on materials seems rather unrelated to the rest of the book. Had the matter on corporate organization been omitted from the fourth chapter, the discussion of materials could very well have been joined to that of the stores department.

Although the book is not sufficiently systematic for textbook purposes, it is to be commended for its breadth and balance. It is a great relief to be rid of the endless charts and descriptions of the detailed workings of systems, with which some authors smother their general ideas.

EDWARD D. JONES.

*Ann Arbor, Michigan.*

*The Post-Mortem Use of Wealth: Including a Consideration of Ante-Mortem Gifts.* By DANIEL S. REMSEN and others. (New York: G. P. Putnam's Sons. 1911. Pp. xi, 131. \$1.50.)

A useful treatment of an important subject is presented in this book. It is "designed to aid persons of large or small means to formulate plans for a wise use of their property after death." The legal, and, in a part, the economic aspects of the subject are presented by Daniel S. Remsen and constitute the first part, consisting of 85 pages. A second part (pp. 89-126) is devoted to a series of brief papers by eminent teachers of ethics whose names

are connected with their several contributions, Adler, Aked, Fox, Greer, Hillis, Mendes, Warren, and Wylie. In the legal point of view, an effort is made to expound the law respecting the power to make wills and the forms of wills, combined with an explanation of the plans usually made for family and friends, for the public, and for combining public and private purposes. Such topics as the usual objects of bounty, preservation of family harmony, selection of charitable objects, taxation of estates, insurance of wills, have separate consideration. In the legal part there is an occasional introduction of comment of ethical import; as, for example when he quotes Dr. Charles W. Eliot as saying that "the young men who inherit money often find life a terrible bore. It is that very class of people that oftenest ask Mallock's question, 'Is life worth living?' " (p. 29).

ISAAC A. LOOS.

*The State University of Iowa.*

#### NEW BOOKS

BEXELL, J. A. *Farm accounting and business methods.* (Springfield, Mass.: Home Correspondence School. 1911.)

Suggestions for organization and coöperation among farmers are given.

BRAND, E. S. *The practice and law of the real estate business.* Seven volumes. (San Francisco: National Coöperative Realty Company. 1911.)

A treatise on the real estate business in all its branches, with special reference to the laws pertaining to the business and the practical conduct of its affairs.

BURTON, T. E. *Corporations and the state.* (New York: Appleton. 1911. Pp. xvi, 237. \$1.25.)

To be reviewed.

DAVIES, E. *A primer of scientific investment.* (London: H. E. Morgan. Pp. 40.)

FIELD, F. W. *Capital investments in Canada.* (Toronto: The Monetary Times. 1911. Pp. 244. \$2.50.)

Deals with the interests of various countries, especially America and Great Britain, in Canadian railways and industries.

JENKINSON, M. W. *The promotion and accounts of a private limited company.* (London: Gee. 1911. Pp. 87. 2s. 6d.)

HOVEY, C. *The life story of J. Pierpont Morgan, an authorized biography.* (New York: Sturgis & Walton. 1912. \$2.50.)

JOSEPH, L. *Industrial finance: a comparison between home and foreign developments.* (London: Frederick Printing Co. Pp. 24. 6d.)

LEONARD, J. W., editor. *Who's who in finance.* (New York: Joseph & Sefton. 1911. Pp. 1101. \$7.50.)

The large majority of the 7701 sketches are of men not included in other dictionaries of contemporaries.

MASSEY, R. W. *Massey's commercial law.* (Richmond, Va.: Massey Business College. 1911. Pp. 188. \$1.00.)

MATAJA, V. *Die Reklame. Eine Untersuchung über Ankündigungswesen und Werbetätigkeit im Geschäftsleben.* (Leipzig: Duncker & Humblot. 1910. Pp. 489.)

A study of the influence of advertising on demand and supply and on price.

POTTIER, A. *Des sociétés commerciales. Guide pratique et formulaire.* Second edition, revised and enlarged. (Paris: Pichon. 1911. 12 fr.)

Commentary on the law of January 30, 1907.

REMINGTON, H. *The elements of bankruptcy law.* (Charlottesville, Va.: The Michie Company. 1911. Pp. xi, 548.)

SCOTT, L. *Certified public accountants.* (Madison, Wis.: Wisconsin Free Library Commission. 1911. Pp. 44. 10c.)

Prepared with the coöperation of the political science department of the University of Wisconsin.

SCOTT, W. D. *Increasing human efficiency in business.* (New York: Macmillan. 1911. Pp. 339. \$1.25.)

To be reviewed.

SEIBELS, W. T. *Produce markets and marketing.* (Chicago: W. T. Seibels. 1911. Pp. xiii, 290. \$2.50.)

SHELDON, A. F. *The art of selling.* (Libertyville, Ill.: The Sheldon University Press. 1911. Pp. 188. \$1.25.)

Designed for business colleges, high schools of commerce, Y. M. C. A. classes and private students.

SMYTHE, R. M. *Obsolete securities.* Second edition. (New York: R. M. Smythe. 1911. Pp. 1168. \$5.00.)

Introductory chapters give much valuable information on repudiated state bonds and notes.

STEVENS. *Elements of mercantile law.* Fifth edition, revised by HERBERT JACOBS. (London: Butterworth & Co. 1911.)

New chapters on "Companies and Arbitrations," by Porter Fausett, and on "Stock Exchange Transactions," by B. W. Devas, have been added.

TAEUBER, R. *Die Börsen der Welt. Eine Hand- und Nachschlagebuch.* (Berlin: Verlag für Börsen- und Finanzliteratur. 1911. Pp. xi, 734. 15 m.)

WAGNER, H. *Über die Organisation der Warenhäuser, Kaufhäuser und der grossen Spezialgeschäfte.* (Leipzig: C. E. Poeschel. 1911. Pp. viii, 79. 3.60 m.)

### Capital and Capitalistic Organization

#### *Legal Phases of Central Station Rate Making for Electric Supply.*

By JAMES V. OXTBY. (New York: Association of Edison Illuminating Companies. 1911. Pp. 225.)

In this volume the author has revised three papers which deal with the point of view of the private investor in public utility companies. In the first paper, on "The Wholesale Consumer," the main contention is that such consumers may fairly receive concessions beyond what the low cost of serving them would justify, such concessions being based on the principle of "value of service." This principle, however, gives much less scope for differentials than in the case of railways, for it is laid down that each class of customers should pay its fair share of all joint costs, including interest on investment. The company, however, is entitled to a profit above bare interest, and this may be distributed according to "what the traffic will bear." (In currently accepted railway economics it will be remembered that the theoretical limit of concessions is reached only when nothing at all is earned above the out-of-pocket expense of the traffic.)

Now, the large consumer of electric current is in a position to install a plant of his own, and this may force the central plant to fix his rates close to the cost of serving him (including always his pro rata share of interest charges), while in course of earning its reasonable net profit it may make greater clear gains from the smaller consumers who are not potential competitors for their own business.

The second paper deals with the questions arising from various special kinds of service. These include the consumer who runs his own plant but is connected with the central plant either for safety in case of breakdown or to eke out his own capacity at the time of greatest load, or to enable him to close his plant entirely at times when he needs but little current. Summer rates and



contracts not to take current at the time of peak load are also considered.

In the third paper the broad question of "reasonable profit" is attacked, and the ultimate test advocated is whether the needful amount of capital is attracted into the business. Profit is due to risk, and the open market is the place where risks are discounted. This principle governs the just treatment of new issues of securities by operating companies, and the adjustment of return between stocks and bonds. The volume contains summaries and quotations of leading cases before commissions and courts, including the recent case on the general advances in rates by the railroads in western and Trunk Line territory. The usefulness of the work as a handbook might perhaps be increased if the treatment of the law as it is were more clearly separated from doctrines advocated by the author.

J. M. CLARK.

*Amherst College.*

#### NEW BOOKS

BECKERATH, H. v. *Die Kartelle der deutschen Seidenweberei-Industrie*. Volkswirtschaftlichen Abhandlungen der Baden Hochschulen. New Series, No. 2. (Karlsruhe: G. Braun. 1911. 4.20 m.)

DILL, J. B. *Dill on New Jersey corporations*. Enlarged and brought down to date by FRANK WHITE and F. C. MCKINNEY. (New York: The Lawyers Coöperative Publishing Co. 1911.)

ELLIOTT, C. B. *A treatise on the law of private corporations*. Fourth edition, revised by H. S. ABBOTT. (Indianapolis: Bobbs-Merrill. 1911. Pp. 1045. \$6.00.)

FOOTE, A. R. *Regulation of public utilities; a comparison of the New York and the Wisconsin public utilities bills*. (Columbia, O.: Legislative Reference Department of the Ohio State Library. 1911. Pp. 86.)

GÖRRES, K. and KROMAN, K. *Das Reichskaligesetz, erläutert*. (Charlottenburg: Jung-Verlag. 1911. Pp. ix, 180. 10 m.)

LEVY, H. *Monopoly and competition*. (New York: Macmillan. 1911. Pp. xviii, 338. \$3.25.)  
To be reviewed.

PASSOW, R. *Kartelle des Bergbaues*. Materialien für das wirtschaftswissenschaftliche Studium, Vol. I. (Leipzig: B. G. Teubner. 1911. Pp. vi, 238. 3.60 m.)

Contains the most recent data of the coal and potash syndicates.

SILBERBERG, L., editor. *Deutsches Kartell-Jahrbuch, Jahrgang 1911.* Parts 1 and 2. (Berlin: Puttkammer & Mühlbrecht. 1911. Pp. 170.)

Printed in four parts at a cost of 3.50 m. each.

WIEDENFELD, K. *Des Persönliche im modernen Unternehmertum.* (Leipzig: Duncker & Humblot. Pp. 108. 3 m.)

Contains chapters on English, German, French and American enterprise.

WOLF, C. *Die Rechtsfähigkeit der Aktiengesellschaft im Konkurse.* (Berlin: R. Trenkel. 1911. 1.20 m.)

## Labor and Labor Organizations

### HISTORY OF CALIFORNIA LABOR LEGISLATION

In the REVIEW for September, 1911, page 587, Miss Lucile Eaves raised certain issues of fact with regard to portions of the review of her monograph, *A History of California Labor Legislation*, prepared by Mr. Ira B. Cross. It is only fair to Mr. Cross to state that he based his criticism upon a personal study of California labor, including newspapers and documents, supplemented by interviews with men who have been prominent in the labor movement in that state. Readers who are interested in this special field of investigation will have opportunity to weigh the conflicting evidence as presented in a forthcoming monograph by Mr. Cross on *The History of Labor in California*. California is to be congratulated upon being honored by two exhaustive monographic studies relating to this branch of economic history.—MANAGING EDITOR.

*Wages in the United States, 1908-1910. A Study of State and Federal Wage Statistics.* By SCOTT NEARING. (New York: The Macmillan Company. 1911. Pp. viii, 220. \$1.25.)

Professor Nearing rightly describes the state publications on wages as follows: "Of the forty-seven States of the Union, not more than five publish good up-to-date wage statistics. These five are Massachusetts, New Jersey, Kansas, Oklahoma and Ohio. Of the remaining States, a score publish statistics of average wages only, which, in some cases, are so unrepresentative as to be valueless" (p. 15). Professor Nearing does not use the New York material because it relates to unions only, and he does not use the Ohio data because they are diffuse and not sufficiently sum-

marized. The United States Bureau of Labor has discontinued its periodical studies of *Wages, Hours of Labor, and Retail Prices of Food* (the latest figures being for 1907) and no data on wages were gathered in the census of 1910. Hence greater dependence will have to be placed upon the wage reports of the State Bureaus and it is more important than ever that the latter reports should be made uniform both in material and form of presentation.

Professor Nearing's study leads him to the following conclusions: The variation of the level of wages throughout the country is less marked than is generally supposed; the "contrast between the lowest (South Central) and the highest (Western) group of states shows, for similar organized occupations, no considerable wage variation" (p. 168). There is no regular variation of wages corresponding to size of the cities containing the manufacturing establishments, but the variation "appears to depend upon the individual establishments rather than upon the size or location of the cities or towns" (p. 168). The earnings of adult males and adult females east of the Rockies and north of the Mason and Dixon line, no deduction being made for unemployment, are as follows: "Half of the adult males working in industrial sections of the United States receive less than \$600 per year; three quarters are paid less than \$750 and less than one tenth earn \$1000 a year. Half of the women fall below \$400 a year; while nearly nine tenths receive less than \$750" (p. 213). Rates of wages "should be reduced by, perhaps, 20 per cent" in order to give actual earnings (p. 213). Making the 20 per cent deduction for unemployment, the result is as follows: One half of the adult males and nine tenths of the adult females east of the Rockies and north of the Mason and Dixon line actually earn less than \$500 per year; three fourths of the adult males and nineteen twentieths of the adult females earn less than \$600 a year; and nine tenths of the adult males earn less than \$800 a year" (p. 214).

These conclusions will be considered in the order in which they are stated in the preceding paragraph. The conclusion that wages in the different geographic sections of the United States show no consistent variation is in accordance with that of the English Board of Trade (see *Cost of Living in American Towns*, p. xviii). The Board of Trade, using the method of index numbers with the figures for New York as the base, found that

Chicago and Duluth are the only two towns east of the Mississippi having higher indices of wages than New York City. In regard to the question of the variation of wages with the size of the city the Board of Trade found that "with one exception, the index numbers for skilled men fall in unbroken sequence with the size of the population group, while those for unskilled men are irregular. In no case, however, does the difference between any such group and New York exceed 26 per cent. . . . The figures appear to illustrate a wide diffusion of active industrial life and great mobility of labor" (p. xix). Professor Nearing does not state, nor do his data enable him to state, his conclusion in regard to this question with the exactitude of the Board of Trade. The two conclusions are, however, consistent.

The author's most important conclusions are those concerning annual rates of wages, and annual earnings found by deducting 20 per cent from annual rates. Existing data do not give a direct answer to the question, What percentage should be deducted from annual rates to give annual earnings? The estimate of earnings is largely based upon the Massachusetts data for 1908 and the New Jersey data for 1909. The manufacturers of these states report, in addition to classified rates of wages, the number of days that their establishments were idle during the year. Massachusetts establishments were idle 12 per cent of the working time in 1908 and New Jersey establishments were idle 10 per cent of the working time in 1909. Professor Nearing makes a 20 per cent deduction from annual rates to cover loss of time for personal factors, such as sickness and accident, as well as the loss of time due to lack of opportunity to work. The New York Bureau of Labor statistics furnishes the best unemployment material available. This bureau publishes the percentage of idleness in labor unions, by months and trades, of nearly half a million union men. For active years, like 1906, 1907, and 1909, the percentage of unemployment during the entire year is found to be about 10. For a dull year, like 1908, the percentage is upwards of 20. There can, as Professor Nearing says, "be no general agreement as to what reduction should be made" (p. 233). Objection to a 20 per cent deduction may be made on the grounds that it takes no account of an increase of earnings secured by temporary employment. Decided objection is also to be made to the author's

careless use of his most important terms, i. e., "rates" and "earnings." For instance, he refers to the weekly rates of Massachusetts as "classified weekly wages" (p. 30) or "classified weekly earnings" (pp. 37, 43), and he does not specify whether the figures from the various reports are really rates or earnings.

Perhaps the most reliable extensive investigation of wages in the United States was the one carried on in connection with the United States Census of Manufactures in 1905. The wages question is so important that Professor Nearing's results will be compared with the results of the census of 1905 as given in Bulletin 93 entitled *Earnings of Wage-Earners*. The data given in Bulletin 93 cover over three millions of wage-earners in various industries throughout the United States. Information was obtained for three classes of employees—men 16 years and over, women 16 years and over, and children under 16 years of age. The wages quoted are the actual amounts paid to the employees during the week in which the largest number was employed, and hence take into account merely the loss of time by wage-earners due to personal reasons during the week in question. The results of the investigation may be summarized as follows:

Men 16 years and over:

25 per cent receive less than	\$8.	per week or	\$416 per year
50 per cent " " "	10.50	" " "	546 " "
80 per cent " " "	15.	" " "	780 " "
94 per cent " " "	20.	" " "	1040 " "

All average \$11.16 per week or \$580 per year.

Women 16 years and over:

50 per cent receive less than	\$6.	per week or	\$312 " "
80 per cent " " "	8.25	" " "	429 " "
92 per cent " " "	10.	" " "	520 " "

All average \$6.17 per week or \$321 per year.

The actual annual earnings as given by Professor Nearing (20 per cent for unemployment deducted) are about 5 to 25 per cent below those found in the investigation of the Bureau of the Census for 1905. Since wages are higher than they were in 1905 it appears that Professor Nearing's figures are a minimum estimate.

In the first chapter, and in other places, the author's treatment is pedantic. He elaborates the obvious needlessly. For instance, he says that division of labor has resulted in each

worker having "some small and apparently meaningless operation to perform. These specialized occupations, however, are anything but meaningless, for organized and directed by a captain of industry, they create a completed product [!]" (p. 170). The treatment of skilled and unskilled workmen is unsatisfactory because his criterion of skill is the amount of wages received. The definition of the "simple mathematical average" (arithmetic?) is wrong. It is said (p. 120) to be "secured by adding the rates of wages and dividing by the number of different groups of wage-earners." An arithmetic average is thus defined to be the simple arithmetic average of arithmetic averages. Professor Nearing's definition of the "weighted average" is the correct definition of the simple arithmetic average (see Bowley's *Elements of Statistics*, p. 109, and Yule's *Theory of Statistics*, p. 108).

*Wages in the United States* contributes nothing to the methodology of wage statistics; it is a useful compilation of existing data with a statement of the more or less obvious conclusions to be drawn therefrom.

WARREN M. PERSONS.

*Dartmouth College.*

*Unemployment in the State of New York.* By WILLIAM MORRIS LEISERSON. (New York: Privately printed. 1911. Pp. 199.)

This study was made for a public commission aiming at legislation. It is welcome because (with its appendices) it adds to our meagre information on unemployment in America. From official censuses, records of relief agencies, employment bureaus and trade-unions, and from special testimony, the author infers that the workers of New York average ten weeks of idleness a year. Simultaneously there is an unfilled demand for labor. Interesting details regarding the causes of unemployment are given: that seasonal declines in advertising occasion seasonal idleness in newspaper publishing; cigar makers keep within orders because "cigars do not 'ship' well when dry." Interesting also is the analysis of irregular changes in the demand for labor.

Changes in the supply of labor, strangely, are neglected. "What are the eighty odd thousand factory employees of the

state who were employed in 1907 and not employed in 1908 and 1909 doing now?" Many are "vagrants and tramps" (p. 43; cf. 39). In 1908 and 1909, our immigration reports show 165,005 New York aliens emigrated; 318,058 others immigrated. Because no allusion is made to such facts, the author's interpretation of his statistics is often vitiated. Again, the clothing trade is going largely to inland cities: "Workingmen cannot . . . break up relations which they have built up by years of living in one community and quickly follow the employer" (p. 48). Is the connection of immigrant labor with this industry appreciated? The one consequence of immigration is held to be a constant "over-supply" of labor (p. 53).

Public labor exchanges, chiefly, are recommended. Private exchanges, because of their large number and their desire to fill temporary places "tend to increase rather than diminish [?] the maladjustment" causing unemployment (p. 56). Grant that public exchanges have superior advantages; yet it is extreme to urge that employers of common labor "would have no difficulty in finding it at the public employment office" and that "the idleness of trained workers would not need to exist if we had an exchange for skilled labor" (p. 67). Moreover, the author has previously held that fluctuations in employment arise permanently from industrial causes, and that present maladjustment is largely explained by the fact that workmen lack the industrial fitness demanded [for a given wage] by employers. Relief from "the general oversupply of unskilled laborers" is sought in the vocational guidance of children and in industrial education. Though such institutions are desirable, it must be remembered that the problem of the unskilled in New York is less a problem of children than of immigration.

ROBERT F. FOERSTER.

*Harvard University.*

*Enquête sur le Régime Alimentaire de 1065 Ouvriers Belges.* By A. SLOSSE and E. WAXWEILER. Instituts Solvay, Travaux de l'Institut de Sociologie, Notes et Mémoires, No. 9. (Brussels: Misch et Thron. 1910. Pp. 260.)

This recent addition to budgetary bibliography throws more light on the physiological than on the sociological and economic problems of human living. The study presented in the volume

was carried on during a fortnight among the establishments of 1065 Belgian hand and industrial workers, chosen so far as possible for their representative qualities. An establishment was defined as any social group the members of which eat together—the standard being a housekeeping rather than a domiciliary one. The schedule for each establishment stated the sex, age, and weight of each of the several persons comprising it, the occupation of the head, how long he was employed per day, whether he worked indoors or outdoors, what were his daily wages, and what the total income of the establishment.

The 1065 establishments consisted of 4,873 persons, or 4.6 per establishment. Of the heads of families one fourth worked outdoors. Sixty per cent were employed over 10½ hours a day, while twenty-three per cent worked over 11½ hours.

The discussion is presented in two parts: one the physiological analysis, written by M. Slosse, the other the sociological analysis, prepared by M. Waxweiler. The general physiological conclusions M. Slosse sets forth as follows:

An astonishing number of the rations were below the generally accepted Atwater standard of albumen consumption of 1.5 grams per kilogram of body weight per day. The intake of fat, on the other hand, was found to be greater than was needful, while a considerable deficit of carbohydrates was balanced by the fat surplus—an unfortunate balance, in the opinion of the author. M. Slosse concludes that hard labor and a large intake of energy in the form of food are not necessarily correlated factors of life; that the determinants of alimentation are not always or necessarily the needs of the body; finally, that the dietary of the Belgian workman is faulty, ill adapted to his physiological needs and insufficient.

For the sociological analysis, returns from 1042 establishments or families, were available. In one half these families the man's wages formed the sole income. Food called for 70 per cent of all expenditures. M. Waxweiler computes the number of standard units per family by counting each adult man as one unit, each adult woman and each boy of 14 to 16 as 0.8 unit, each girl of 14 to 16 as 0.7 unit, and so down the scale. This is the unitary standard of Atwater, according to which the combined families of the study comprised 3,521.7 units, or 3.3 units per family. Six-



teen per cent of the families were found to have an income per standard unit, or "coefficient of comfort," of less than one franc a day, 60 per cent from one to two francs, and but 22 per cent over two francs.

It was found that both the proportion of albumen and the general nutritive value of the daily ration tended to increase with size of income, although there were great variations within the same social groups in different localities. Thus the proportion of meat tended to be lowest in the crowded industrial centers. Differences in occupation did not seem to exercise any greater influence on the alimentary régime than on the expenditure of energy in work.

The general conclusion of the authors is that no alimentary norm can be laid down. That great differences exist between countries is seen from the fact that of Belgian industrial workers nine tenths consume less than 150 grams of meat a day, as contrasted with one tenth among American industrial workers. Yet if the Belgian workers were arbitrarily raised to the American standard of meat consumption, the result might be either negligible or even definitely harmful to them.

The study impresses the reader as a painstaking and cautiously prepared piece of work. There are a few errors in the book, as for example on page 10, where the typical family is represented as containing 16.5 units, instead of 12.9. A curious typographical blunder assigns all the lefthand pages from 194 to 255 to Chapter II instead of Chapter III. A statement of the total number of persons comprising the 1065 families, together with their age and sex and the total number of units represented by them, is omitted. This information was supplied to the reviewer in a letter on request, but did not appear in the printed volume. The study will please the adherents of a low-protein dietary, but it is no disparagement to the ability and zeal of the co-authors to conclude that the great difference between American and Belgian social and industrial conditions, together with the very limited field covered by the book, makes it of curious rather than practical value to the American student of human life.

JULIUS H. PARMELEE.

*Washington.*

*Boycott, Sperre und Aussperrung. Eine sozialrechtliche Studie.*

By Professor MASCHKE. (Jena: Gustav Fischer. 1911. Pp. 341. 9 m.)

The significance of this book lies in the fact that it is an attempt to bring the subjects of boycott, strike and lockout under scientific analysis from the standpoint of society and law. It is, as its title indicates, a social juristic study; and as such it is necessarily a difficult and complicated undertaking involving not one but many problems. Although important and promising substantial reward to the reader who will make his way through its pages, it will require both courage and patience to master its course of reasoning. It is characteristically German in conception and in style of presentation.

The treatise is divided into approximately four equal parts. In Part I the author considers the underlying juristic principles; in Part II he examines the boycott, strike and lockout as a means of compulsion (Zwangsmittel); in Part III boycott, strike and lockout are considered as a means of restraint or repression (Repressionsmittel); and in Part IV the operation (Durchführung) of the boycott, strike and lockout is examined.

ISAAC A. LOOS.

*The State University of Iowa.*

## NEW BOOKS

ARNDT, P. *Die Heimarbeit im rhein-mainischen Wirtschaftsgebiet.* (Jena: Fischer. 1911. 9.25 m.)

BIRD, M. *Woman at work. A study of the different ways of earning a living open to women.* (London: Chapman & Hall. 1911. 5s.)

BRADBURY, H. B. *Bradbury's rules of pleading in actions at law etc.* (New York: The Banks Law Publishing Co. 1911. Pp. lxxiv, 1865. \$8.50.)

There is a special chapter on the New York employers' liability and workmen's compensation acts, with the texts of the acts, and forms of notices and complaints thereunder.

BRAY, R. *Boy labour and apprenticeship.* (London: Constable. 1911. Pp. 260. 5s.)

BRETON, J. L. *Les maladies professionnelles.* Encyclopédie parlementaire des sciences politiques et sociales. (Paris: Dunod & Pinat. 1911. 3.50 fr.)

CLARK, L. D. *The law of the employment of labor.* (New York: Macmillan. 1911. Pp. 373. \$1.60.)

To be reviewed.

- CLAY, A. *Syndicalism and labour*. (London: John Murray. 1911. Pp. xv, 230. 6s.)
- DEPITRE, E. and LEVEQUE, M. *La réglementation légale de la durée du travail des employés. La réduction du nombre des enfants employés la nuit dans les verreries*. (Paris: Association Nationale Française pour la Protection Légale des Travailleurs. 1911. 1.50 fr.)
- FOURNIER, P. L. *Le second empire et la législation ouvrière*. (Paris: Larose et Tenin. 1911. Pp. 351.)
- FURER, R. v. *Die Gestaltung des Arbeitsmarktes*. Studien über den Arbeitsmarkt, Vol. I. (Vienna: Reichsverband des Allgemeinen Arbeitsvermittlungsanstalten in Oesterreich. 1911. Pp. 174.)
- GÉRARD, C. *Le chômage en Angleterre et le fonctionnement des "labour-exchanges"*. (Paris: Rousseau. 1911. Pp. 138. 1 fr.)
- HAUDERE, A. *Des accidents dont sont victimes dans leur travail des domestiques et gens de maison*. (Paris: Sirey. 1911. 2.75 fr.)
- HERZ, L. *Der Schutz der nationalen Arbeit*. (Berlin-Schöneberg: Verlag Fortschritt. 1911. 1m.)
- JUNGBLUTH, F. *Der Schutz der Gewerbbetriebe gegen Boykottanforderungen der Arbeitnehmerverbände*. Veröffentlichungen der Wirtschaftlichen Abteilung des Vereins "Versuchs- und Lehranstalt für Brauerei in Berlin", No. 7. (Berlin: Paul Parey. 1911. Pp. 53. 2.50 m.)
- KNOKE, A. *Ausländische Wanderarbeiter in Deutschland*. (Leipzig: A. Deichert. 1911. 2 m.)
- LEE, W. H. *The great strike movement of 1911 and its lessons*. (London: Twentieth Century Press. 1911. Pp. 16. 1d.)
- LEIDIG, H. *Die Arbeitslosenunterstützung der Stadt Schöneberg*. (Berlin: J. Guttentag. 1911. 1 m.)
- LOMBARD, M. E. *Proposition de loi relative à la revision de la législation des établissements dangereux, insalubres ou incommodes*. (Marseille: Chambre de Commerce. 1911.)
- MAMROTH, K. *Gewerblicher Konstitutionalismus. Die Arbeitstarifverträge in ihrer volkswirtschaftlichen und sozialen Bedeutung*. (Jena: Fischer. 1911. Pp. iv, 126. 4 m.)
- MATTHIEU, J. *Die Hauptströmungen der Arbeiterbewegung in ihrem Verhältnis zum modernen Kulturproblem*. Sozialpolitische Zeitfragen der Schweiz, Nos. 16, 17. (Zurich: Buchhandlung des Schweiz. Grütlivereins. 1911. Pp. 63. .40 m.)
- PRIDDY, A. *Through the mill, the autobiography of a boy laborer*. (Boston: Pilgrim Press. 1911. \$1.35.)

ROWNTREE, B. S. and LESKER, B. *Unemployment: a social study.* (London: Macmillan. 1911. 10s. 6d.)

SEEFRIED-GULGOWSKI, E. *Kaschubische Hausindustrie. Auf Anregung des deutschen Vereins für ländliche Wohlfahrts- und Heimatpflege herausgegeben.* (Berlin: Deutsche Landbuchhandlung. 1911. Pp. iv, 36, illus. 1 m.)

SITTEL, V. *Die Frauenarbeit im Handelsgewerbe.* (Leipzig: J. Wörner. 1911. Pp. 138. 3 m.)

WINNIG, A. *Der grosse Kampf im deutschen Baugewerbe 1910. Im Auftrage des Verbandsvorstandes des deutschen Bauarbeitervereins.* (Berlin: Buchhandlung Vorwärts. 1911. Pp. vii, 288. 3 m.)

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——— *Salaires et coût de l'existence à diverses époques jusqu'en 1910.* (Paris: Imprimerie Nationale. 1911. 7.50 fr.)

A report issued by the Department of Labor of France covering period from 1806 to 1910.

## Money, Prices, Credit, and Banking

*History of Money in the British Empire and the United States.*

By AGNES F. DODD. (London: Longmans, Green and Company. 1911. Pp. xiv, 356. 5s.)

This book is an attempt to collect in one volume a history of money and currency in all English speaking nations from the earliest times to the present, covering Great Britain, her colonies and the United States; and including a history of the metallic money and production of precious metals, a history of paper money and banking, and a history of prices as affected by money.

Part I on the British Empire includes the coinage and banking history of England from the earliest times, and has separate chapters on Scotch and Irish banking, India, and the colonies. Part II is a history of money and banking in the United States from colonial times to the present.

The book adds little to our knowledge of monetary history or to our understanding of the principles of money and banking. It is merely a brief account in usable form of the coinage history and banking history of the English nations. There are many inaccuracies of statement which impair its usefulness; and a failure at many points to grasp the real meaning of the facts of the situation. For example, on page 217, "In 1834 the adoption of the gold standard in the United States"; page 312, the state-

ment that the limitation on bank circulation in the United States was removed in 1871; page 316, the inflation bill of 1874 is described as proposing to add \$400,000,000 of greenbacks to the circulation; and pages 331 and 332, the statements that gold certificates are issued only in denominations of \$20 and above and greenbacks \$10 and above, and that the Treasury notes of 1890 are reissued when redeemed at the Treasury. Also there are some evidences of careless or ambiguous statement; as for example, pages 123 and 130, "incontrovertible" paper money; and page 182, a rather inadequate explanation of the leading position of London as a financial center.

For American readers the most valuable part of the book will be that dealing with the early history of coinage in Great Britain, and perhaps the chapters on Indian and colonial currencies. As a brief source of information on these subjects it is valuable; but everything relating to banking and to the monetary history of the United States is available in better form elsewhere.

G. D. HANCOCK.

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*Das französische Bankwesen mit besonderer Berücksichtigung der drei Depositengrossbanken.* By EUGEN KAUFMANN. (Tübingen: J. C. B. Mohr. 1911. Pp. xii, 372. 8 m.)

*Die Entstehung und Entwicklung der grossen französischen Kreditinstitute mit Berücksichtigung ihres Einflusses auf die wirtschaftliche Entwicklung Frankreichs.* By BERNARD MEHRENS. (Stuttgart: J. G. Cotta. 1911. Pp. ix, 360. 8 m.)

Most of the writers on European banking have given well nigh exclusive attention to the great central banks and to problems arising from the issues of bank notes. Happily the subject is at length receiving more comprehensive treatment. In the works of Riesser, Prion, and others satisfactory accounts are to be found of all the various kinds of German banking institutions, together with careful analyses of the working of the system as a whole. In these volumes by Kaufmann and Mehrens a good beginning is made towards the accomplishment of a similar service for France. Of the two, that by Kaufman is, as its title indicates, the more comprehensive in scope; it is also the more valuable in other respects. Mehrens gives, from readily accessible sources of information, a good straightforward account of the four great French

deposit banks, but his work contains little not to be found in Kaufmann's, who clearly possesses a more intimate, first-hand knowledge of the working of the French banking system. While a highly creditable performance for a doctor's thesis, Mehrens has been so unfortunate as to have his work completely superseded at the moment of publication. This is all the more true because it happens that the conclusions of both writers are strikingly similar on the one banking question which is the subject of controversy in France at the present time.

Banking concentration has gone further in France than in any other country, and in recent years there has been a rather acrimonious discussion among French financial writers regarding its effects. Both these presumably impartial foreign writers agree that in some respects this concentration has been unfavorable to the economic development of the country; partly on account of the curtailment of personal credit, and also because the great banks have accentuated the tendency to invest French savings in foreign countries. Both writers also agree that the extent of banking concentration in France and its consequences are in no small measure the result of special circumstances, peculiar to the country. Making every allowance for such special influences, however, the situation in France does seem to furnish some slight ground for satisfaction that branch banking has not been permitted in the United States. Notwithstanding very great differences in structure and methods, the rapid growth of large banks with numerous branches and the gradual disappearance of the independent local bank have been during the last twenty years the most striking features of banking development in all countries in which branch banking is permitted. The large bank with branches is in a position to provide superior facilities of a routine nature, such as those for making payments at a distance, and the purchase and sale of securities. It can also offer more attractive terms to the very best class of borrowers. The local bank has commonly found the remaining business either unprofitable or subject to such risks that absorption or liquidation if not failure was inevitable. In France the process of concentration has gone farther than in other countries, largely it would seem because local or provincial banking institutions were not fully developed in the seventies, when the three great deposit banks adopted the policy of general expansion. Their growth has, therefore, not been so

much the result of the absorption of local banks as in parallel instances elsewhere. At the most in many parts of France, it has simply prevented the development of strong local or provincial banks.

The results of banking concentration in France have not been exactly what at first sight might have been expected. There is active competition between the great banks, but it is largely confined to competition for deposits and for the business of a limited class of borrowers, those enjoying the very highest credit or possessed of first class securities. Criticism of the great banks is directed towards matters of an entirely different nature. On account of the character of their obligations to their depositors, and as a result of necessities arising out of their widely extended organization, the range of operations in which the great deposit banks venture to engage is an extremely narrow one. Managers of branches are allowed no initiative, and must refer all matters of even moderate importance to the central office. All loans and discounts are avoided, except those of the highest class, a special preference being shown for the best grade of commercial paper. Loans which might be granted by a local banker, based upon his judgment of the honesty and ability of the borrower, are unknown. This is the greatest defect of the large bank with many branches, and that it is more in evidence in France than elsewhere is, in a measure, due to special causes. The deposits of the great banks are principally in the nature of saving deposits; they are payable on demand, but the banks have no authority to require notice of withdrawal in emergencies, as in the case of saving deposits in this country. Moreover the failures of the *Union Générale* in 1882 and the *Comptoir d'Escompte* in 1889 seem to have lasting consequences. Depositors are peculiarly susceptible to distrust at the slightest sign of weakness and the managers of the great banks seem at all times to be strongly impressed with the necessity of keeping their assets in a highly liquid condition.

In addition to their lending operations, the great deposit banks undertake only one other important kind of business, the marketing of securities. Here again the large size of the banks exerts a potent influence; decisions regarding the securities to be offered their depositors is an affair for the central office alone; and the organization is too large to concern itself with small issues of securities. Moreover the managers are most unwilling to put out

securities, the yield or the market price of which is subject to much variation, lest the credit of the banks be unfavorably affected, not only as investment bankers, but also with their ordinary depositors. The tendency is overwhelming to confine attention to large issues of securities and particularly to those of governments and municipalities. Comparatively little is invested through the great banks in French industrial enterprises. Now, while all admit that by no means all French current savings could find profitable employment at home, it is felt that the great banks accentuate the tendency toward foreign investment to a regrettable degree, judged from the point of view of the economic development of the country. The evils of the present situation have led local bankers to bestir themselves, and by organization among themselves, and by means of a bank representing them in Paris, it is hoped that something may be accomplished.

The effects of extreme banking concentration is the most generally interesting problem in French banking, but much more than its discussion is to be found in Kaufmann's book. It contains among others, chapters on the bank of France, the *Crédit Foncier*, the organization of the Bourse, and also one about the investment of private banks in Paris and the provinces. The various kinds of loans made by banks in France, the organization of the great deposit banks and their relations with their employees, are other topics considered.

It is not too much to say that Dr. Kaufmann's volume is the most indispensable book on French banking which has yet appeared.

*Harvard University.*

O. M. W. SPRAGUE.

*The Rise of the London Money Market, 1640-1826.* By W. R. BISSCHOP. Preface by H. S. FOXWELL. (London: P. S. King and Son. 1910. Pp. 256. 5s.)

This book, first published in Dutch at the Hague in 1896, was translated into English at the request of Professor Foxwell. It covers the most obscure period in the history of English banking, a period which can never be treated with entire satisfaction until the Bank of England gives students access to its records. Nevertheless Mr. Bisschop has thrown light on many dark places. On page 9 of the preface, Professor Foxwell fairly summarizes his accomplishments in the following statement:



I do not know where else, in the whole literature of English banking history, we can find such a close, continuous, and reasoned study of English banking business before the rise of the joint stock banks. Dr. Bisschop has known how to make use of the scanty and scattered material already published: and it will be apparent to the careful reader that he has had the good fortune to enjoy very special facilities, facilities never before accorded, so far as I know, to any historian of English banking. He has made such good use of them that one cannot but regret that they were not more freely extended. It is now beyond question that material exists which, if it could be examined by competent persons, would go far to fill the discreditable gaps in our knowledge of the history of the world-famous banking system of Great Britain.

Mr. Bisschop treats the subject in three chapters entitled: "The Rise of the London Bankers, 1640-94"; "The Development of the Monopoly of the Bank of England, 1694-1742"; and "The Development of the System of the London Money Market and the Repeal of the Monopoly of the Bank of England, 1742-1826." Under these heads he has treated more completely and satisfactorily than his predecessors the rise of the goldsmiths, their development into private bankers and the details of their business methods, the development of the Bank of England from a deposit bank to a bank of issue and its early business methods and documents, the rise of country banks and the development of their relations with the London banks and of both with the Bank of England, and the rise and development of the central reserve system and the methods of its operation. He has thrown new light on the evolution of the check system and of bank notes in England and has made clearer than have most writers the nature and functions of deposits and bank notes and their relations to and dependence on coin reserves. In the opinion of the reviewer, his views on the theory of the subject are sound and amply substantiated by the facts he describes.

Few slips or errors have been noted, contradictory statements in notes on pp. 70 and 73 regarding the practice of the goldsmiths in the payment of interest on deposits being the chief one. The usefulness of the book would have been considerably enhanced by the preparation of a good index. With this exception its mechanical and typographical features are satisfactory.

WM. A. SCOTT.

*University of Wisconsin.*

## NEW BOOKS

BARKER, D. A. *Cash and credit*. Cambridge manuals of science and literature. (New York: Putnam. Pp. vi, 143. 40c.)

BIRCKE, W. *Die deutschen Viehmarkstbanken, ihre geschichtliche Entwicklung, Organisation und wirtschaftliche Bedeutung*. (Karlsruhe: G. Braun. 1911. Pp. viii, 179. 2.80 m.)

BRADY, J. E. *Bank deposits, trust deposits, alternate deposits, joint deposits; a full statement of the general principles of law governing these forms of deposits*. (New York: Banking Law Journal Co. 1911. Pp. vii, 319. \$3.00.)

COMBAT, F. J. *Manuel du portefeuilleiste. Les effets de commerce, les comptes, les changes et les monnaies. Usages des places étrangères. Précis théorique et pratique. Etudes de science financière, I.* (Paris: Berger-Levrault. Pp. viii, 216. 4 fr.)

CONANT, C. A. *History of modern banks of issue*. Fourth edition. (New York: Putnam. 1911.)

Contains the latest data regarding the banking systems of almost every country in the world.

DANIEL, T. C. *Real money versus banks of issue promises to pay*. (Washington: T. C. Daniel. 1911. Pp. 275. \$1.00.)

The theoretical position of the author has long since been discredited. He holds that gold as a standard of value is a delusion; that the only redemption needed to support the value of a national currency is the redemption in commodities; and that the usage of banks as sources of currency is a benighted form of oppression along with trusts and the tariff. The result is a recrudescence of greenbackism.

DANNENBAUM, F. *Deutsche Hypothekenbanken. Wirtschaftliche Darstellung nebst Kommentar zum Hypothekenbankgesetz*. (Berlin: Franz Vahlen. 1911. Pp. viii, 413. 10.80 m.)

FARROW, T. *Banks and the people*. (London: Chapman & Hall. 1911. Pp. viii, 168. 1s.)

FRÖHLICH, G. *Beiträge zum Depositenproblem. Banken, Sparkassen und Genossenschaften, Entwurf eines "Sparkassen"-Gesetzes*. (Berlin: A. Tetzlaff. 1911. 2 m.)

LEWY, M. *Die Nationalbank für Deutschland zu Berlin 1881-1909*. (Berlin: K. Curtius. 1911. Pp. 104. 4 m.)

LYSIS. *Les capitalistes français contre la France. De l'emploi des dépôts des banques françaises en Allemagne*. (Paris: A. Michel. 1911. Pp. 126. 1.50 fr.)

MILLS, H. D. *The science of currency and centralized banking*. (Chicago: Rand, McNally. 1911. 50c.)

PIERSON, N. G. *Foreign exchanges*. (Haarlem: Dr. E. F. Bohn. 1911.)

Reprinted from Pierson's "Essays on Economics."

POENSGEN, H. *Die Landesbank der Rheinprovinz*. Staats- und sozialwissenschaftliche Forschungen, No. 153. (Leipzig: Duncker & Humblot. 1911. 2.50 m.)

SYKES, E. *Banking and currency*. Third edition. Introduction by F. E. STEELE. (London: Butterworth. 1911. Pp. xvi, 288. 2s. 6d.)

Contains a new chapter on the central gold reserve.

THIEBEAUX, A. *Nouveaux précis des opérations de banque, traité à l'usage du grand public, de la banque et du notariat*. (Tours: Imprimerie Mame Fils. 1911. Pp. 330. 20 fr.)

TRUMPLER, H. and ZYBELL, P. *Systematische rechtsvergleichende Darstellung des Wechsel- und Scheckrechts*. Handelsgesetze des Erdballs. (Berlin: R. v. Decker's Verlag. 1911. 6 m.)

USHER, E. B. *The greenback movement of 1875-1884 and Wisconsin's part in it*. (Milwaukee: E. B. Usher. 1911. Pp. 92. \$1.00.)

WHITE and KEMBLE. *White and Kemble's analysis of the New York and Massachusetts state laws relative to the savings bank investments in the securities of railroad corporations and the application thereof*. (New York: White & Kemble. 1911. \$15.)

### Public Finance, Taxation, and Tariff

*The Tariff in Our Times*. By IDA M. TARBELL. (New York: The Macmillan Company. 1911. Pp. 375. \$1.50.)

This volume takes chiefly the form of a narrative history of tariff legislation from 1860 to 1911. The several bills and acts are taken up in order, their general character sketched from the author's point of view, and their history traced. Only toward the close is the narrative interrupted by some chapters on the economic effects of certain duties which serve as introduction to the discussion of the tariff act of 1909.

The book has the merits and the defects of magazine writing. (As the preface states, the greater part of the material has been already used in articles in the *American Magazine*.) It is lively, fluent, makes much of conspicuous persons and entertaining episodes. But there is no pretense of stating systematically the important provisions of the several measures, or of following their history in Congress. Miss Tarbell picks and chooses details as

she finds them telling for her purpose. Hence the volume cannot be expected, nor indeed is it intended, to supplant Stanwood's *American Tariff Controversies* or the present reviewer's *Tariff History of the United States*. Yet in some respects it supplements these books effectively. All sorts of anecdotes figure in its pages, tales of intrigue, items about legislators and business men. Unfortunately, there is not a reference or footnote. The sources of some of the stories and quotations are easily guessed, and indeed sometimes are sufficiently indicated; such as the reminiscences of Blaine, Sherman, Brinkerhoff. But often one wonders what basis there is for specific statements, e. g., that Moore, the "Parsee merchant," was offered \$100,000 by a firm of quinine manufacturers to cease his agitation for free quinine (p. 93); or that "Mr. James Swank has said that more money was spent to elect Mr. McKinley than was spent to elect Mr. Harrison" (p. 242). Miss Tarbell, beyond question, aims to be careful in her statements of fact; but she will be accused of talking loosely and swallowing unfounded stories.

Miss Tarbell's attitude, it need hardly be said, is that of an uncompromising opponent of protection. To her mind the whole course of tariff legislation has been one process of circumventing the popular will. Intrigue and the pressure of special interests account for the passages of the successive higher tariff measures. The system has resulted in "enormous profit to the few; steadily increasing prices to the many; onesided development of the country; factories growing like gourds and no ships of our own to carry the goods in; the country sacrificed to the city, and the peace of God to the blare and roar of the steel furnace" (p. 327). "The history of protection in this country is one long story of injured manhood. Tap it at any point, and you find it encouraging the base human traits,—greed, self-deception, indifference to the claims of others. . . . What kind of men does it make? It makes men deficient in self-respect, indifferent to the dignity and inviolability of Congress, weak in self-reliance, willing to bribe, barter, and juggle to secure their ends" (p. 358).

These extracts illustrate not only Miss Tarbell's emotional style, but her limitations as a writer on economic subjects. I cannot rate the book high as a contribution to the literature on protection. It requires no profound economic training to see that, on

almost any of the specific economic questions touched by Miss Tarbell, her treatment is superficial. The effect of the repeal of the quinine duty (in 1879) was "magical"; "in five years quinine had fallen from \$3.40 per ounce to \$1.23, and in ten years to 35 cents" (p. 93, 280). Now the duty had been 40 per cent. Obviously these figures prove altogether too much,—the price must have been affected by something besides the repeal of the duty, to go down so magically.

The duty on wool is declared to be "*always unfair*" and "*a legalized fraud*" (p. 302; the italics are Miss Tarbell's), because, being specific, it bears more heavily on wool with much grease—and so shrinking heavily—than on wool with little grease and shrinking less. The duty on wool is not defensible, in my opinion; but this particular characterization of its effects seems to me to go too far. Perhaps the intricate system of duties on woolens, with its specific duties purporting to be only an offset for the wool duty, might be stigmatized, with some show of reason, as a legalized fraud. But the wool duty itself, however inexpedient, hardly deserves this sort of reprobation. Again, Miss Tarbell speaks repeatedly of "the rapid rise in the cost of living under the Dingley bill." It is true that she says also that the tariff is not the only cause of rising prices; yet the whole tenor of her discussion is that the tariff is an important and continuing cause. It may be admitted that higher duties, when first imposed, are likely to cause higher prices of the dutiable articles. But they do not cause general prices to rise continually for years thereafter; unless indeed by those recondite effects on the movement of specie and the play of international demand which are analyzed in the abstruse theory of international trade. These more subtle phases of the problem are beyond Miss Tarbell's ken, and indeed beyond the ken of most popular writers on both sides of the protective controversy. They may be neglected in discussions of the rise in prices since 1897, which is due preponderantly to other causes than the tariff.

F. W. TAUSSIG.

*Harvard University.*

*The King's Customs. An Account of Maritime Revenue, Contraband Traffic, the Introduction of Free Trade, and the Abolition of the Navigation and Corn Laws, from 1801 to 1855.*

Second Volume. By HENRY ATTON and HENRY HURST HOLLAND. (London: John Murray. Imported by E. P. Dutton and Company. 1910. Pp. viii, 506. \$3.50.)

The authors of this work, of which the first volume appeared in 1908, are by profession neither historians nor economists, and the critical reader will discover not a few flaws of construction and analysis in the course of the book. Even the critic must confess, however, that for the subject in hand the authors are something better than historians or economists; they are trained customs officials, to whom the administration of the tariff laws is not an academic question but an everyday reality, and to their interest and industry we owe a book of first-rate importance. While they make no great contribution to the history of tariff legislation, they present an account far superior to any which we previously had of the actual workings of the tariff laws. They have drawn copiously from the old books and manuscripts of the customs department, and illustrate their subject by a profusion of concrete and vivid details.

They describe the administration not as it was meant to be but as it actually was, even after the reform of the eighteenth century—loaded with sinecures and expensive to maintain, yet ineffective in operation, and seeking to atone by occasional savage attacks on merchants for the laxness which threw a large part of British trade into the hands of smugglers. The history of contraband trade forms a considerable and by far the most important part of the book. Smugglers were of both sexes and of all ages, from the ranks of the army, the civil service or from private life, from the lowest classes and from the highest. A system of collusion between smugglers and customs guards long prevailed. An honest customs inspector, who had kept a smuggling vessel from landing for thirteen days, reported the following pathetic appeal made to him: "For the love of God let her come in, and give us fair play. You take what you can; let us get off with what we can, or she will go away altogether, as she cannot keep on this coast any longer." In the first part of the century smuggling was often perpetrated by overt force, gangs of "batmen" gathering to protect the landing party from the guards. Little by little the smugglers were forced to more furtive methods. Spirits were concealed in the hollows of spars, keels and ballast, or towed in

submerged tubs; tobacco was woven into rope, or made into balls and clayed to resemble potatoes; tea was carried on the person, and jewelry was entered in pies and bread. Experts asserted that not over a third of the tobacco used in the United Kingdom paid duty.

The book traces the course of customs policy and administration, not only at home but also in the British colonies, down to 1855, concluding with a short biographical chapter on "customs literati," an appendix of illustrative documents, and a good index. Students who have endeavored to master the intricacies of the *Book of Rates* will be grateful for specimen instructions, printed in the appendix, showing how duties were computed.

CLIVE DAY.

*Yale University.*

*Allgemeine Steuerlehre.* By PAUL BEUSCH. Staatsbürger-Bibliothek, No. 13. (Munich: Volksvereins-Verlag. 1911. Pp. 44. .40 m.)

*Steuerarten und Steuersysteme.* By PAUL BEUSCH. Staatsbürger-Bibliothek, No. 14. (Munich: Volksvereins-Verlag. 1911. Pp. 111. .40 m.)

*Zur Steuer Statistik des schweizerischen Städteverbandes über die Besteuerung der Aktiengesellschaften und Konsumgenossenschaften.* By J. STEIGER. (Zurich: Art Institut Orell Füssli. 1909. Pp. 38.)

*Kartelle und Personalsteuergesetz.* By KARL SATZINGER. (Vienna: Verlag der Export Academie. 1911. Pp. 58. .80 m.)

Of these four pamphlets the first two have the appearance of being "cram-books" for students preparing for the "Staats-Exam." As such they are excellent specimens. They are clearly written, follow the traditional lines of thought and divisions of the subject and are based upon the acknowledged authorities, such as: Rau, Umphenbach, Roscher-Gerlach, Stein, Wagner, Cohn, and all the rest. There is no apparent attempt at originality.

The third of the above listed pamphlets is a very interesting continuation of Dr. Steiger's studies of the currently appearing *enquête* of the tax burdens in Switzerland. The first article which appeared in the "Schweizerisches Zentralblatt" last year dealt with the taxation of physical persons. This one deals

with the second part of the statistical compilation mentioned in the first part of the above title, and presents the figures in regard to the taxation of corporations or stock companies and of co-operative associations. We cannot here delve into the figures, but two of the conclusions are of special interest in this country. They show that the free cantons and cities of Switzerland have some of the same troubles with corporations as do the republican states and cities of the United States. These conclusions are: (1) For most of the cantons the *enquête* shows that the taxation of these companies is neither rational nor just and in many cases the methods of arriving at the taxes are too complex. (2) Such companies can be taxed successfully only by methods of taxation different from those applied to physical persons. The best method for stock companies is to tax the stock and the resources at a low rate without progression and the earnings at a fixed rate, although progression is more permissible in the case of the latter. The tax on coöperative associations should be based on the turnover as there is no feasible way of ascertaining the profits.

The last of the pamphlets deals with a very interesting subject but is unfortunate in not being clearly written. The title implies that the pamphlet deals with the question as to whether the trusts can be regarded as legal persons and taxed as such or whether it is better to tax the gains as part of the income of the recipients. But the more interesting and suggestive part of the discussion deals with the question as to whether there is not a so decisive conflict between the ideas of trust regulation in the interest of the consuming public and the ideas of taxation that taxation of the trust as such may be altogether out of place. The author represents that there are three schools: first, those opponents of the trusts who wish them to be taken over by the state; second, those who propose various progressive taxes designed to appropriate to general use the gains of the monopolies, whether by heavy taxes on their receipts, or on their capital or on their dividends, especially on what is deemed the excess in the dividends; and third, those who propose a moderate tax on the receipts. All of these proposals present serious difficulties from the side of the administration of the taxes. This is shown in a very thorough manner by the author's classification of the different kinds of trusts or *Kartelle*, from which it is clear that in the great



majority of cases the trusts in Austria are so loosely organized that the central bureaus by which the members are held together have too little control over the earnings or centralize them too little to afford a satisfactory basis of taxation. The argument is presented also that the general industrial conditions are so bad that it would be unwise to try to lay any heavy burden on the trusts. Altogether the pamphlet presents a rather hopeless view of the situation in so far as any improvement in the taxation of the trusts in Austria is concerned.

CARL C. PLEHN.

*University of California.*

*Das Staatsschuldenproblem im Lichte der klassischen Nationalökonomie.* By J. J. BERCKUM. (Leipzig: A. Deichert'sche Verlagsbuchhandlung. 1911. Pp. x, 243. 5 m.)

The general divisions of this work consist of a short historical account of the development of public debts, a very full statement of the views of Quesnay, Smith, Malthus, Ricardo and J. S. Mill concerning public credit and the administration of public debts, and a brief conclusion. The inclusion of Quesnay among classical economists is unusual, and the omission of the militant McCulloch is questionable, especially since the views of Say and Mill, who are secondary to Smith, Malthus, and Ricardo, are given lengthy description.

The disfavor in which public debts were held by the classical economists cannot, according to the author, be entertained towards modern debts *in toto*, because unlike the debts of the era of the classical school, they are in no small measure incurred for highly productive purposes. Yet he holds there is need at present to remember the emphasis laid by classical economists upon economy in public expenditures and to heed their warning against permitting the resort to public credit to become a habit. It should be used only in emergencies like war or catastrophe, and for purposes which have a continuing value in the future. But just what, in the meaning of the author, is the measure of such value and what is a productive purpose is left in some vagueness. He regards the problem of redemption as the weightiest one in connection with modern public debts. He does not believe, with Naumann, in continuing to pile up debts and trusting to government

monopolies and great industrial properties of a possible future state of society to provide the means of discharge; nor, like Fourier, would he resort to so fantastic a device as payment through increasing the number of hens' eggs. While total payment, which was the ideal of the classical school, is out of the question, consideration for posterity, preparedness for time of danger, and the interest of a sound public credit demand a policy of compulsory redemption.

As this work does not pretend to be a complete treatise upon public credit, the author does not develop in detail his ideas in regard to debt creation and redemption. The result is that the work is mainly a description of the theories of leaders of the classical school, and its chief interest should be for those German readers, who, according to the author, are guilty of regarding Adam Smith as a scientific dilettante and classical political economy as unscientific. With the theories of this school and with what is of present practical value in them, English and American students of public finance are already familiar. Of these Dr. Berckum's book is a useful assemblage and interpretation.

E. T. MILLER.

*University of Texas.*

*Die Technik des Finanzhaushalts der deutschen Städte im Mittelalter.* By L. SCHÖNBERG. (Stuttgart: J. G. Cotta'sche Buchhandlung Nachfolger. 1910. Pp. xvi, 199. 4.20 m.)

In this little volume Dr. Schönberg has made an excellent contribution to the rapidly increasing literature on economic history. The title would indicate that it might contain considerable of interest on the theory of taxation. While this is true to a certain extent the main effort of the writer is devoted to an investigation of the system of accounting and the methods of handling cash in the mediaeval towns. The work will in fact appeal most to the student interested in accounting as a part of economic theory.

In the introduction the author shows why a study of the finances of the mediaeval towns is worth while. A good tax system, by keeping ready money on hand, enabled the town governments to grow strong and powerful. The overlord's pressing need for money put him at the mercy of the thrifty town officials,

who from this situation gradually worked out their freedom. These political and economic activities of the little town republics show them as microcosms of the modern state.

The growth of the town council or *Rath* is traced. First it is merely advisory to the overlord; finally it becomes supreme in the control of town affairs; then the development of a principal office, as *Schatzmeister*, *Rechenmeister*, *Beutelherr*, etc., who was master of the treasury; and also a horde of lesser officials who became a sort of professional bureaucracy. The salaries paid were low but the honor of the position was considerable.

The range of taxation was not great in mediaeval times, for according to the principle of *individuelle Nutzungsvergütung*, private interests must look after the things they use. Public responsibility for roads and bridges was not recognized. Also the *Bürgerpflicht*, or watch and ward, dispensed with some taxation needs. Many institutions as churches, hospitals and places of refuge, although within the field of government affairs, were kept up on the principle of endowment.

In the second part the bookkeeping system or method of accounting is discussed. There was no account keeping until the fourteenth century. Then the method was single entry, a list of the items of cash income and outgo. These were then grouped under certain accounts which generally were very confused and faulty. The length of the fiscal year was very irregular and the summing up for reports very crude. An interesting chapter from the accountant's point of view is the description of the calculation with Roman notation, which was used up to the end of the fifteenth century. The reckoning was worked out on a table-top carved with lines and Roman numerals, and in later times upon a *Rechentuch*, a cloth marked in the same way. The use of the Arabic notation superseded this but slowly.

The idea of a budget scarcely existed until late in the middle ages. When the town was small there was no need for a budget since variations in needs were met by raising and lowering certain *Kopfsteuern* or head taxes. When there began a distinct forecasting of needs, or *Voranschlag*, then appeared the elements of a budget; and when there were certain outgoes awaiting funds from certain income sources there came the balancing of outgo and income which is the essential feature of a budget.

A much mooted question is whether there existed a *fiscalische Kasseneinheit* in the town system of the Middle Ages, i. e., a period of time as a fiscal year, wherein the cash receipts and cash expenditures were made to coincide. A careful review leads Dr. Schönberg to conclude that no such thing existed. Each separate specie fund had its scope fixed, its work to do; its income and outgo must agree. The bookkeeping of it was drawn into the common treasury account only through surpluses and deficits. To each new outgo was assigned a particular income source.

The complicated system of checks and balances of modern times with a regular auditing of accounts did not exist. The control was through administrative measures; usually three keys in the hands of three different persons were necessary in handling the money chests. There was also a periodical reckoning of the amounts by the council.

DONALD F. GRASS.

*Stanford University.*

*Die Besteuerung nach dem Wertzuwachs. Insbesondere die direkte Wertzuwachssteuer.* By H. WEISSENBORN. (Berlin: Verlagsbuchhandlung von Julius Springer. 1910. Pp. vi, 156. 3.60 m.)

This is an eminently practical treatise, sane, logical and penetrating, upon the taxation of value-increase, and especially upon the so-called unearned increment of value. In writing this book the author has kept two objects in view: first, to penetrate, more deeply and scientifically than has been done, into the characteristic problems of the taxation of value-increase; and second, to blaze a new trail for the further progress of old but sound ideas concerning such taxation.

Former literature upon this subject has been rendered comparatively fruitless, despite its thorough survey of the theoretical field, inasmuch as it has not furnished a practical program for states or municipalities about to introduce a new scheme of taxation upon the unearned increment. For the most part this arises because in short treatises, as well as in larger works, there is manifest confusion in the minds of the authors regarding fundamental principles; due, no doubt, to a defective knowledge of economic science. This is seen particularly in their classification of

taxes, and in their confusing the two concepts of value and price. Even where the factors which determine value are understood there is little clear thinking upon the relationship of these factors to one another.

The first part of the work is concerned with a study of both the theory and the present practice of value-increment taxation. The second part deals largely with present day tendencies; and more concern is shown for the development of direct, as against indirect, taxation; the latter form having spread more widely and being better known. An incisive analysis is made of the tax upon the unearned increment of value, both from an administrative as well as from a theoretical standpoint.

Herr Weissenborn discusses in particular the peculiar and distinctive features of various forms of value-increment with a view to discovering their bearing upon a general system of taxation; the fundamental considerations involved in the taxation of value-increment; the indirect business-tax; the direct ground-tax; and finally he attempts to estimate the place of such taxes in imperial, state and municipal budgets. Germany has done pioneer work in the taxation of the unearned increment; and the present work is both a scholarly and practical presentation of this increasingly important subject.

WILLIAM WALKER SWANSON.

*Queen's University, Kingston, Canada.*

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- ASHLEY, W. J. *The tariff problem*. Third edition with additional chapter and new introduction. (London: King. 1911. Pp. xxxiv, 269. 3s. 6d.)
- ASTON, A. E. *Irish national finance: past, present, and future*. (London: King. 1911. Pp. 36, diagrams. 1s.)
- BINET, G. *Les opérations de paiement des dépenses de l'Etat*. (Paris: Giard et Brière. Pp. 248.)
- BRUNIG, G. *Das bayerische Einkommensteuergesetz vom 14.8.1910*. (Munich: C. H. Beck. 1911. Pp. xxiv, 681. 10 m.)
- BROCKLEHURST, G. *A textbook of tithes and tithe rentcharge. Simple outlines of the history of tithe in England*. (London: Simpkin. 1911. 2s. 6d.)
- CHARRASSE. *L'impôt sur le revenu*. (Lyon: Imprimerie Geneste. 1911. Pp. 123.)

- CHAULIN-SERVINIÈRE, J. *Des conversions de rentes sur l'Etat. Etude juridique.* (Paris: Jouve. 1911. Pp. 175.)
- CUNNINGHAM, W. *The case against free trade.* (London: Murray. 1911. 2s. 6d.)
- DAMASCHKE, A. *Grundsätzliches und Geschichtliches zur Erkenntnis und Überwindung der sozialen Not.* Vorsitzenden des Bundes Deutscher Bodenreformer. Fifth edition, revised. (Jena: Fischer. 1911. Pp. viii, 360. 3 m.)
- DEAN, M. B. *Municipal bonds, held void, including issues enjoined, registration or certification denied, issuance not compelled, validation refused and all proceedings determining illegality.* (New York: M. B. Dean. 1911. Pp. 122. \$2.50.)
- DECHARME, P. *Les petites coupures de billets.* Preface by G. François. 1911. (Paris: Alcan. 1911. Pp. 316. 7 fr.)  
An historical account of small notes in principal countries with a criticism of the advantages and inconveniences of such a circulation.
- DURANDY, D. *L'impôt sur le revenu et les étrangers résidant en France.* (Nice: Barma. 1911. Pp. 12.)
- ENGLEHARD, G. *L'autonomie budgétaire des exploitations industrielles de l'Etat.* (Paris: Larose. Pp. 295.)  
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- HOTCHKISS, W. E. *The judicial work of the comptroller of the treasury as compared with similar functions in the governments of France and Germany; a study in administrative law.* Cornell university studies in history and political science, Vol. III. (New York: Holt & Co. 1911. Pp. xiii, 164. \$1.25.)
- KAULLA, R. *Ideale und Vorurteile der deutschen Finanzpolitik.* (Stuttgart: Ferdinand Enke. 1911. 3 m.)
- KETTLE, T. M. *Home rule finance. An experiment in justice.* (Dublin: Maunsel & Co. 1911. Pp. viii, 96. 1s.)  
Author considers the only approach toward home rule to be through the Financial Relations Report of 1896.
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- LEE, H. W. *A digest of the liquor tax law of the state of New York.* (Albany: H. W. Lee. 1911. Pp. iii, 101. \$1.00.)
- LERIS, P. *Les communes et le crédit foncier. Mode de réalisation et destination des fonds.* (Paris: Dalloz. 1911. Pp. 211. 6 fr.)
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- LION, M. *Das Reichszuwachssteuergesetz vom 14.2.1911. Mit den Ausführungsbestimmungen des Reiches und Preussens ausführlich erklärt.* (Berlin: F. Vahlen. 1911. Pp. 144. 3.20 m.)
- MARCELIN, F. *Finances d'Haïti.* (Paris: Kugelmann. 1911. Pp. 282. 3 fr.)
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- MCCALL, S. W. *The business of congress.* Columbia university lectures. (New York: Columbia University Press. 1911. Pp. vii, 215. \$1.50.)
- PATUREL, G. *La protectionnisme et le coût de la vie dans les familles ouvrières.* (Paris: Alcan. 1911.)
- PHELPS, E. M., compiler. *Selected articles on the income tax.* (Minneapolis: H. W. Wilson Co. 1911. \$1.00.)
- PUBLIC ACCOUNT COMMITTEE. *Return to an order of the House of Commons, dated 8 February 1911;—for copy of epitome of the reports from the committees of public accounts, 1857 to 1910, and of the treasury minutes thereon. With an index.* (London: Wyman. 1911. Pp. 572. 2s. 3d.)
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- STERZENBACH, K. *Das Steuerwesen des Siegerlandes im Mittelalter. Historische Abhandlungen.* (Münster, W.: G. W. Visarius. 1911. Pp. viii, 67. 2 m.)

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Contains some valuable statistics.

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*The financial relations with the imperial exchequer*. (Dublin: Gill & Son. 1911. Pp. 39. 6d.)

Criticises the treasury returns as giving a wrong impression of the amounts contributed by Ireland.

## Population and Migration

*Industrial Causes of Congestion in New York City*. By EDWARD EWING PRATT. Columbia University Studies in History, Economics, and Public Law, Vol. XLIII, No. 1. (New York: Longmans, Green and Company. 1911. Pp. 259. \$2.00.)

The purpose of the above study is to find out to what degree industrial distribution is responsible for the existing congestion of population in certain parts of New York City. First are given the statistics of congestion, then the results of an inquiry into the causes of the location of factories in different districts of the city, and finally a study of the distribution of workers according to distance from the place of employment, and hours of work, wages, nationality and sex.

The tables show an interestingly close variation of distance of residence from work (residence-mobility) inversely with the length of the working day, and directly with the rate of wages, indicating that not sheer human perversity but some fundamental economic cause is acting to cluster human beings into the im-



mense aggregates found in our largest cities. The tables according to nationality apparently bring the group impulse into play as distinguished from the general economic motive, and afford comfort to those who claim that our newer immigrants delight in congestion for its own sake. These show that the residence mobility of the employes studied is greatest for the Germans, only 10.8 per cent of whom, working in lower Manhattan, also lived below Fourteenth Street; and ranges in order through British, American and Irish to Austrians, Hebrew-Russians, Italians, Russians and Hebrew-Austrians, of whom from 45 to 64 per cent of those working in lower Manhattan lived below Fourteenth street.

If these groups, however, should be subdivided according to hours of work and rate of wages, it would undoubtedly be found, according to the commonly observed facts, that the newer immigrants would fall into the longer-hour and lower-wage groups, while the older immigrants and the natives would be found in the more prosperous groups, so that the nationality table would be practically converted into an hour-and-wage table, with the economic motive again the determining factor. A similar reduction to an economic basis may be made of the apparently greater residence mobility of men than of women workers. Women, like the newer immigrants, are found in greater proportion in the low-wage and long-hour groups, and furthermore their very presence in industry indicates a lower economic level of the families to which they belong.

As remedies for the evils of congestion, the author considers and rejects as ineffective taken by themselves, some of the methods popularly proposed, such as the improvement of transit facilities, restriction of immigration, limitation of the working day, the minimum wage, the prohibition of tenement manufacture, farm colonies, the building of cheap homes in the suburbs, and so on. The problem is a difficult one, not to be solved by any one method, but in the author's view, city planning in its full significance, the establishment of industries in suburban centres, the provision of low-rent homes for workmen in these centres, and the improvement of transit facilities in connection with all the above are the means most strongly to be insisted on.

KATE HOLLADAY CLAGHOEN.

*Tenement House Department of the City of New York.*

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- BARON, A. *Haus- und Grundbesitzer in Preussens Städten einst und jetzt: unter Berücksichtigung von Steins Städtordnung. Seminars zu Halle.* (Jena: Fischer. 1911. Pp. xii, 154. 4 m.)
- BAU, E. *Jedem sparsamen Arbeiter ein eigenes Wohnhaus.* (Cologne: Mont-Schaubergsche Buchandlung. 1911.)
- CLEMENT, H. *La dépopulation en France.* (Paris: Bloud. 1910. Pp. 365.)  
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- HEBERLIN, E. *Doit-elle mourir? Étude sur la dégression de la natalité en France.* Preface by G. BONJEAN. (Paris: Giard & Brière. 1911. Pp. xx, 218.)
- HUBER, M. *Les statistiques de mortalité professionnelle.* (Paris: Giard & Brière. Pp. 12. 1 fr.)
- LEGRAND, M. A. *La longévité à travers les âges.* (Paris: E. Flammarion. 1911. Pp. 324. 3.50 fr.)  
Contains a comparison of the length of life among men and women, among rich and poor, and among professional men, business men, etc.
- NEWSHOLME, A. *The declining birth-rate: its national and international significance.* New tracts for the times. (London: Cassell & Co. 1911. Pp. 64. 6d.)
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- SAMAMA, N. *Contributo allo studio della doppia cittadinanza nei riguardi del movimento migratorio. Il problema della cittadinanza specialmente nei rapporti degli Italiani all'estero. Questioni riguardanti la condizione giuridica degli Italiani all'estero (Francia).* Three volumes. (Florence: Arian. 1911.)
- SRBIK, R. v. *Die Auswanderungsgesetzgebung. Mit Berücksichtigung der beiden österreichischen Entwürfe. I. Die Grundzüge der wichtigsten europäischen Auswanderungsgesetze. II. Die wichtigsten europäischen Auswanderungsgesetze und ihre wichtigsten Vollzugsvorschriften.* (Vienna: Hof- und Staatsdruckerei. 1911. Pp. v, 104; v, 332. 3m.; 4 m.)

## Social Problems and Reforms

*Pay-Day.* By C. HANFORD HENDERSON. (Boston: Houghton Mifflin Company. 1911. Pp. 339. \$1.50.)

The thesis of this book is that industry and education, now divorced because of the infidelity of industry, must be reunited;

this reunion, however, to be on education's terms and not on the terms of a perfidious industry. Industry-for-use, with which education can legitimately join fortunes, is sharply contrasted with industry-for-profit, with which education can have no honorable commerce. Education and industry-for-use are alike interested in persons. Their common goal is a human society made up of individuals with healthy bodies and noble minds. High character and a joyous spirit are the end both of education and of rational industry. Because our current industry forsakes these ends, sacrificing them ruthlessly to profit-making, education must indignantly refuse the dishonorable alliance involved in so-called industrial education, in continuation schools, commercial and technical courses and the like. Let industry first come back to its concern for persons, let those who engage in industry forego dividends, interest and rent, and occupy themselves with the production of things—not for the sake of profit to be made from their manufacture, distribution, and manipulation—but solely for the sake of the persons who need them, and then the kinship of industrial managers with teachers will become apparent, then they may justly demand coöperation from those whose high calling it is to develop the physical, intellectual, and moral qualities of youth.

Dr. Henderson's book taken for what it is, viz., literature and ethics, deserves high praise. Taken as economics or as education it would have to be sharply challenged. Probably the author would not seriously object to the first of these strictures, as his discussion of the economics of his problem hardly pretends to be other than that of an outsider. To the latter he might very naturally object, being himself a very distinguished and successful teacher; but something could surely be said for increasing the industrial efficiency of workers as an element in their education for normal living, even before profit is eliminated from the industry in which they are to engage; and that there is a social justification for profits has no doubt often enough been demonstrated in the classroom by most of those who will read this notice.

The author's practical advice to dividend-takers and to exploited workingmen who wish to escape from a vicious industry-for-profit is open to the serious practical objection that it involves removal from a socially advantageous, i. e., economically

productive, occupation to one which, being free from industrial and commercial complications, is also relatively unproductive. This reviewer, however, shares Dr. Henderson's conviction that industry-for-profit is today open to moral condemnation for its neglect of persons; and he has no disposition in the presence of an eloquent and prophetic expression of that conviction to drag in irrelevant statistical arguments. Perhaps some defender of the Scribes and Pharisees might have shown that there was technical inaccuracy in the well-known reference to the relative cleanliness of the outside and the inside of their platters. Let this volume be adversely criticised by those, if there are any such, who believe that there is no ethical basis for its arraignment of a society in which women and children are exploited for gain, in which socially created hardships and pitfalls abound; and in which easily removable obstacles to a prosperous and rational life remain for lack of the necessary good-will to remove them or of the necessary knowledge as to how to do it.

EDWARD T. DEVINE.

*Grundriss der Wohnungsfrage und Wohnungspolitik.* By EUGEN JAEGER. (M. Gladbach: Volksvereins-Verlag. 1911. Pp. 156. 1 m.)

Dr. Jaeger is best known by his *Die Wohnungsfrage* published in two volumes in 1902-1903. The *Grundriss* is a popular summary of the problem treated in the earlier work. It treats compactly the history of the problem from classical to modern times, and deals in turn with each of the current housing problems and the methods of improvement.

American works on housing deal almost exclusively with description of existing housing conditions, and their improvement through health ordinances and building codes. English works specialize on the erection of model tenements or cottages through philanthropic, municipal or coöperative action. But the German mind penetrates the housing problem to discover the economic and social laws that underlie existing urban conditions. Jaeger thus, after showing that the German people are increasingly an industrial people and concentrating in cities, measures the existing dwelling accommodation for urban workingmen. He asserts that in a normal real estate market, 3 per cent of the dwellings are empty, but that in German cities the percentage is often lower.

Available accommodation is most lacking for the poorest classes, and healthful dwellings are not obtainable by the majority.

From sources not always indicated the following laws are deduced: (1) the smaller the dwelling the more crowded it is; (2) the smaller the dwelling the more frequently do its inmates move; (3) the smaller the family income the larger is the percentage paid in rent; (4) the smaller (and usually also the worse) the dwelling, the higher is the rent paid per cubic meter or per room; (5) dwellings without kitchens are correspondingly dearer than dwellings with kitchens (from which is deduced that it is economically better for a family to rent a large dwelling and sublet single rooms, because by so doing they can get both larger and cheaper accommodation for themselves); (6) the smaller the dwellings the more frequent are damp rooms (artificially increased by the washing and drying of clothes in the tenement); (7) tuberculosis is directly proportional to the crowding of houses and to the crowding of individuals in the houses; (8) morbidity and mortality rates increase as dwellings become smaller and as dwellings are farther removed from the centre of the house (towards roof or cellar).

The *Mietcaserne* (tenements housing 10 or more families) are accounted for in the first instance not by the high price of land occasioned by industrial demand, but by the large size of lots, the broad and unnecessarily expensive streets and the building ordinances. But once this large tenement house has become the custom of the people it is possible everywhere and hence arises speculation in land and houses. Speculation in land would be killed by the single family house. Hence speculators use political influence to maintain high prices for land (and thereby to crowd population). The percentage of house owners constantly decreases. It is only 5 per cent in Berlin. Meanwhile the three-class electoral system of Prussia and Saxony requires that half the representatives shall be house owners—thus perpetuating speculation. The large tenement house costs more per dwelling than the single house, for though the costs of land, foundations, walls and roofs are shared by many dwellings, tenement building requires with each added story beyond the fifth a disproportionate cost for construction. In addition increased allowances must be made for size of courts, stronger walls, larger stairways, fireproofing, etc. Furthermore, the price of land increases in exact proportion to its

usage. Hence the large tenement is not only the worst form of residence but the most expensive.

The aim of housing reform is to secure for every family a private house with a garden. This must be promoted by the state. As the bottom of the housing problem is the land question, the state must stop land speculation. The state should have a housing department which would serve as an information bureau for house renters and maintain general control over the housing situation: building municipal houses, promoting private building of cottages by giving land, reducing taxes and street assessments, creating cheap loans and second mortgages for building of small houses—and especially by municipal purchase of suburban land to lease or sell under restriction that will prevent a rise in the price of the land. Promotion of industrial decentralization through cheap transit, garden cities and suburbs, coöperative building, the single tax and an imperial housing law complete Jaeger's program.

As a sketch of the entire range of housing problems this *Grundriss* is highly successful. It is succinct in statement, concise but strong in sustaining examples and balanced in presentation. In general, statements of principle are backed by well-chosen examples. Debatable propositions, such as the comparative unit cost of tenement versus cottage, cannot be treated in convincing detail in a work of this purpose. The lack of exact footnotes and of an index somewhat impairs the usefulness of the book. It is, however, a welcome and valuable summary of European theory and practice in the field of housing reform.

*Harvard University.*

JAMES FORD.

*Jahrbuch der Wohnungsreform, 1908-1910. Fünfter Jahrgang.*

Edited by DR. K. v. MANGOLDT. (Göttingen: Vandenhoeck und Ruprecht. 1911. Pp. 224. 2 m.)

This volume, published by the German association for housing reform, is a compact summary of the activities in Germany during the last few years along the lines of more and better housing facilities. In addition there are three articles dealing with special subjects: "The Housing Market in the Years 1908-1910"; "Greater Berlin," a study of the development of that city written by the editor, Dr. Mangoldt; and "The Exodus from the Rural Districts."

To the American student interested in housing reform the most interesting single fact about this German book is, probably, the nature of its contents—what is included in the term *Wohnungsreform*. Our books on the housing problem have had to do largely with housing legislation, the character of buildings, the kinds of materials, the size of rooms and all the other details of a building code and of the methods of construction. Some studies have gone more deeply into the social side and have carefully investigated actual housing conditions, the character of dwellings and their occupants. After all, however, housing reform in America has centered largely around a discussion of the type of building. The subjects included under the title *Wohnungsreform* are the following: the housing situation in general; the consequences of bad housing conditions and rents; the activities of the Imperial government; the federal states and the municipalities, with special reference to the direct provision of housing and to legislation; housing inspection, its organization, regulation and results; building codes and city plans; building activities carried on by building associations, philanthropic foundations, employers and others; the securing of capital for building activities; the land question and land reform, including a discussion of the price of land, municipal land policies, real estate taxation, parks, playgrounds and small gardens; the leasing of land; decentralization in large cities; the garden city movement; and many other subjects of lesser importance.

While this book cannot be recommended to anyone wishing to have a comprehensive statement of housing reform in Germany, it is, nevertheless, invaluable in bringing up to date (1910 included) the available information on the subject. One cannot even hastily run through the pages of this volume without realizing, with some regret perhaps in view of the activities in our own country, the bold, constructive and all-round manner in which Germany is attacking her housing problems. The housing reformers of Germany are not merely scratching the surface with palliative legislation, but are studying fundamentals and directing their attacks at the roots of the problem.

E. E. PRATT.

NEW BOOKS

ARCHBISHOP'S COMMITTEE ON CHURCH FINANCE. *Facts and figures of church finance*. (New York: Longmans. 1911. Pp. viii, 188. \$1.25.)

E. T. DEVINE. *The spirit of social work*. (New York: Charities Publication Committee. 1911. Pp. 242. \$1.00.)

HALDANE, J. B., editor. *The social workers' guide*. (London: Pitman. 1911. Pp. 483. 3s. 6d.)

KELM, A. *Beiträge zur Wohnungsreform unter besonderer Berücksichtigung des Kleinwohnungsbaus*. (Jena: Fischer. 1911. 6 m.)

Considers the congestion of business in cities and the rapid increase of population as the chief causes of wretched dwellings.

KENNGOTT, G. F. *The Lowell social survey*. (New York: Macmillan. 1911.)

KRUSCHWITZ, H. *Die Baugeldbeschaffung für städtische Wohnhausbauten in Dresden*. (Leipzig: Duncker & Humblot. 1911. Pp. 79.)

The first of a series of treatises on financing of house building.

ROMAN, F. *Die deutschen Gewerblichen und Kaufmännischen Fortbildungs- und Fachschulen und die industriellen und kommerziellen Schulen, in den Vereinigten Staaten von Nordamerika*. (Leipzig: 1911.)

ROTH, L. *Die Wohnungsfrage der Minderbemittelten in New-York. Archiv für Sozialwissenschaft und Sozialpolitik*. (Tübingen: J. C. B. Mohr. 1911. Pp. viii, 88. 3 m.)

SMITH, S. G. *Social pathology*. (New York: Macmillan. 1911. Pp. viii, 380. \$2.00.)

To be reviewed.

STELZLE, C. *Social service studies, a series of popular handbooks*. Three volumes. (New York: F. H. Revell Co. 1911.)

STEWART, W. R. *The philanthropic work of Josephine Shaw Lowell; containing a biographical sketch of her life, together with a selection of her public papers and private letters*. Collected and arranged. (New York: Macmillan. 1911. Pp. xv, 584. \$2.00.)

To be reviewed.

WATSON, D. *Social advance, its meaning, method and goal*. (London: Hodder & Stoughton. 1911. Pp. 360. 5s.)

*Memorandum of the social government board relative to the operation of the housing, town planning, etc. act 1909, and the earlier housing acts as amended by that act*. (London: King. 1911.)

## Insurance and Pensions

*Principles of Insurance*. By W. F. GEPHART. (New York: The Macmillan Company. 1911. Pp. xv, 313.)

This book is designed primarily as a text for college and



university courses, and as such ought to receive an eager welcome. It is far the most systematic treatment of life insurance (not general insurance) published in the English language. The discussions are usually clear, concise and not extremely technical. The arrangement of subject matter, while open to criticism, is reasonably satisfactory. Other points of excellence are: (1) The section headings are in bold type; (2) The print is large enough for easy reading; (3) References are given at the close of each chapter. There are twelve chapters, a bibliography and an index. A brief resumé of the book is as follows:

Chapter 1 defines life insurance and makes a brief historical survey of it. Chapters 2, 3 and 4 take up the scientific basis of life insurance, showing how the theory of probabilities is involved, how mortality tables are constructed and used, and how risks are selected by the company. Chapter 5 makes a classification of companies, discusses the advantages of each kind, describes the principal departments of a company, and outlines the agency system. Chapter 6 shows how the premium is calculated and what forms it may take. Chapter 7 is devoted to policy forms and policy conditions. Chapter 8 shows how the reserve is provided, differentiates between reserve and surplus, and explains the apportionment of policy dividends. Chapter 9 takes up insurance investments, including the principles upon which they are made, forms, and rates of return; it discusses also the basis upon which a company should be selected, and the advantages of the different policies issued. The last three chapters take up in turn state regulation of insurance, workingmen's insurance, accident and health insurance.

In spite of its excellencies, the book is open to several criticisms. (1) Courses in life insurance are given principally for vocational purposes; hence to be satisfactory, a textbook should be comprehensive and thorough, especially in matters of business organization and finance. In this respect Mr. Gephart's work falls considerably short of what is needed. (2) The term "reserve," which in insurance has a special meaning, is not adequately explained until Chapter 8, but is used repeatedly in earlier connections, resulting, therefore, in some unclear discussion. Furthermore, it ought to be explained in connection with the premium, not with the surplus and dividends. (3) The advantages of the different standard policies and the selection of a company are considered

under investments: the first clearly belongs in the chapter on the policy and policy conditions, and the second, in the chapter on the company. (4) From the mortality table and the selection of lives, the discussion should pass directly to the premium and the policy forms: the interjection of the chapter on the company is not only logically indefensible, but it will result in some confusion to the student. (5) The calculation of the premium is not so clearly explained as might be desired. Other books, notably Dawson's *Elements of Life Insurance*, are superior to Mr. Gephart's in this respect. The premium is really the crux in explaining the foundations of life insurance. (6) In the mathematical discussions several formulas are used and are not explained. For the sake of clearness, explanations should be made, even if placed in the footnotes.

JOHN BAUER.

*Cornell University.*

*L'Assurance contre les Grèves.* By J. LEFORT. (Paris: Fontemoing et Cie. 1911. Pp. 125. 3 fr.)

Insurance against strikes generally implies some plan of insurance for the benefit of workmen. *L'Assurance contre les Grèves*, however, refers to insurance projects designed to indemnify employers. The author has already written extensively on the principles of insurance, particularly life insurance, and may be considered an authority on the subject. He now attempts to show, and quite successfully, that the insurance principle may be applied satisfactorily and with beneficent results to the losses of employers which arise from the stoppage of work. Instead of the old idea and program of continually contending against the strike, or the evil itself, there is now presented through insurance, the other alternative, the idea of repairing the hurtful consequences born of the evil.

Several experiments in different countries are cited which may be considered the forerunners of the perfected scheme of insurance proposed by the author. In Austria and Hungary, in Sweden, Spain, Italy and Switzerland, by means of mutual insurance, employers' defense has been organized in a few industries. The Shipping Federation of Great Britain, founded in 1890 to safeguard the shipping industries against excessive demands of officers and seamen and which embraces seven eighths of the tonnage of the country, guarantees the member who resists excessive demands in

the general interest of the Federation, an indemnity calculated on a tonnage basis. So too, in the United States security against strikes has been sought through what the author calls "Associations de Resistance." Probably the best illustration is found in the National Association of Manufacturers, which is described as attempting to indemnify the members for losses sustained in case of an unwarranted strike.

In Germany we observe two principles in operation: first, the principle of indemnification or assistance; second, insurance properly so-called, legally established and recognized. These forms possess special advantages and are in vogue in different industries and in different sections of the country. Central associations, more or less under governmental supervision, exist for the purpose of unifying the operations of the local associations. Besides the two large associations, the "Centralverband der deutschen Industriellen" and the "Bund der Industriellen," many other employers' associations with a similar end in view have been organized. The general scheme of insurance provides that the affiliated establishments turn over to the association an annual assessment proportional to the number of their employees. In case of a strike they receive for each day of stoppage of work a corresponding amount. In every case it is assumed that an establishment has a right to claim an indemnity, but only when the strike has been recognized as unjust is the claim for indemnity allowed. The French have also advanced along the same road, or at least along parallel lines. There is a more centralized organization and likewise a closer relationship with, and supervision by, the central government.

Insurance against strikes has been shown, by the instances mentioned, to be able to repair in a measure the damages caused by a concerted cessation of work. The plan, in substance, is technically and judicially a contract of insurance. All the elements of insurance here meet: the risk with the contingency of damages; the means of securing a guaranty in contributions or assessments; and finally the possibility of indemnity. Legally and technically we are assured the principle is sound. Without doubt the most difficult feature of the scheme in its practical workings is the determination of what constitutes legitimate resistance on the part of the employer, which, in turn, justifies his claim for indemnity. Relying, however, upon the expert judicial opinion of the authority charged with this work, and supported by public opinion, it is

believed that this adjudication can be as readily made as any other adjustment of insurance.

In the opinion of the author, insurance against strikes cannot be practiced except under the mutual form, for in the case of strikes it is not possible to establish the calculation of probabilities, a calculation absolutely indispensable for all insurances with fixed premiums.

ARTHUR J. BOYNTON.

*University of Kansas.*

*Unemployment Insurance. A Study of Schemes of Assisted Insurance.* By I. G. GIBBON. Preface by L. T. HOBHOUSE. (London: P. S. King and Son. 1911. Pp. xiii, 354. 6s.)

Mr. Gibbon's work covers the same ground as Schloss's "Insurance against Unemployment," published in 1909. It is primarily a descriptive and critical account of the experiments in unemployment insurance made in recent years by European public authorities. There is also an introductory statement of the problem of unemployment and a final chapter in which the author summarizes his conclusions, but the account of the various insurance schemes constitutes far the larger part of the book, extending over nearly 200 of the less than 300 pages of text.

The book differs from Mr. Schloss's work, which has been regarded as the authoritative work on the subject in English, chiefly in the greater fulness of the treatment. It contains at least three times as much matter, and the additional space has been utilized in describing the various schemes of unemployment insurance in great and at times even burdensome detail. Published nearly two years later than Schloss's book, the present work describes the most recent development in the various schemes. The author has been at great pains to bring his account as nearly to date as possible and has added supplementary notes even after the work was in type. He has had the advantage of reading the elaborate reports presented at the Conference on Unemployment held in Paris in the summer of 1910. In view of the great practical importance which the question of unemployment has assumed, and the brief period during which such schemes have been in operation, it is of signal value in a work of this kind that the information should be as recent as possible.

The conclusions of the author, although much more elaborately

presented, agree in essentials with those reached by Mr. Schloss. They agree that the Ghent system is the only one which holds out any considerable promise of success. Both are, therefore, opposed to a compulsory system, and both favor subsidizing trade-unions which pay unemployment insurance. Mr. Gibbon feels, however, much more keenly than Mr. Schloss the weight of the objection that by such subsidies the strength of the unions will be greatly increased. Partly to meet this difficulty, Mr. Gibbon proposes that non-union workmen shall be given an opportunity to establish a separate scheme to insure themselves, and that this scheme shall be maintained and subsidized by the public authorities. Several of the European systems provide in this manner for the insurance of unorganized workmen, but the number of such workmen who have joined has in all cases been very small. Mr. Gibbon thinks, however, that if preference in securing employment were given to insured persons at the labor exchanges, a large number of non-unionists might be induced to insure themselves under a separate scheme. This plan also has been tried in several of the systems, but as Mr. Gibbon's descriptive accounts abundantly show, without success. Preferential treatment of the insured has hitherto meant preference to unionists. Finally, Mr. Gibbon urges that by participation in such an important social function as the relief of unemployment the unions will be "socialized," and quotes the remarkable testimony of M. Varlez as to the change in the character of the Ghent trade-unions since the introduction of the Ghent system of unemployment insurance.

For the careful student of the question of assisted unemployment insurance, Mr. Gibbon's book is undoubtedly the best obtainable. It is probably too detailed in treatment for the general reader, who will prefer Mr. Schloss's little book.

GEORGE E. BARNETT.

*Johns Hopkins University.*

*Zur Frage der Arbeitslosenversicherung der Arbeitsvermittlung und der Arbeitsbeschaffung.* By AUGUST BAAB. (Leipzig: A. Deichert'sche Verlagsbuchhandlung. 1911. Pp. vii, 389, including a statistical appendix of 45 pages. 7.50 m.)

Dr. Baab has written in a broadminded, progressive, sympathetic, and thoroughly optimistic way of the great problem of no work for the able and willing worker. As he points out, Die

deutsche Volkspartie in 1899 declared insurance against the consequences of undeserved unemployment to be the most important problem of German social politics (p. 29). Dr. Baab protests against letting thousands suffer while the theory of each individual question involved in unemployment insurance is being studied out and cleared up and all eventualities suggested by such a remedy are being considered (p. 3). If progress in the matter of such relief is to be made, there must be a "*Sprung ins Dunkle*."

The author emphasizes society's responsibility for the evil of unemployment, and urges activity by community, state, and nation, in affording the greatest possible measure of relief. In the third part of the book he points out the possibilities of so arranging public work as to make employment and sets forth the necessity of a definite foresighted plan for creating employment through public works. Discussion of agitation and of legislation for unemployment relief in Germany, enumeration and discussion of various forms of unemployment offices, discussion of the extent and duration of unemployment (p. 137ff), premiums and methods of classification (p. 121), discussion of the obligation of the worker to take work offered to him (p. 105), a classification of persons for insurance purposes (p. 89ff), a suggestive outline for a law to provide a unified system of employment offices (pp. 343-349), and also an outline for a unified system of unemployment insurance—this enumeration affords an idea of the comprehensive character of the book which ought to have no little influence in promoting additions to and improvements in Germany's already extensive system of working class protection. Dr. Baab with good sense notes that it would be unfortunate to be discouraged because of the failure of the St. Gall experiment. Exception should be taken to the statement (p. 6) that Germany with its 2,215,165 (estimated) union workers at the end of 1903 had more union workers than either England or the United States.

RAYMOND V. PHELAN.

*University of Minnesota.*

#### NEW BOOKS

BARDOUX, J. *Les retraites ouvrières en Angleterre*. (Paris: A. Rousseau. 1911.)

Relates to the old age pension acts of 1908 and 1911.

BOUFFARD, F. *Les retraites ouvrières en Angleterre*. (Paris: Larose & Tenin. 1910.)

- BURKHARDT, R. *Die Beziehungen der Alkoholfrage zur deutschen Arbeiterversicherung*. (Berlin: Carl Heymann. 1911. 2 m.)
- CAHN, E. *Das System der Reichsversicherungsordnung. Ein Führer durch das neue Recht*. (Gross-Lichterfelde: Verlag der Arbeiter-Versorgung, A. Troschel. 1911. 0.60 m.)
- COURCELLE, L. *Les retraites ouvrières et paysannes*. (Paris: Dunod & Pinat. 1911. Pp. 592. 9 fr.)
- COUTEAUX, J. *Le monopole des assurances*. (Paris: Giard & Brière. 1911. 7.25 fr.)
- DAWSON, M. M. *Elements of life insurance*. (New York: The Spectator Co. 1911. Pp. 188. \$2.00.)  
Third edition with definitions of life insurance terms.
- EVANS, D. O. *The insurance bill made clear*. (London: David Nutt. 1911. Pp. 94. 6d.)
- FISCHER, C. *Organisation und Verbandsbildung in der Feuerversicherung*. (Tübingen: Lauffische Buchhandlung. 1911.)  
An explanation of the economic value of fire insurance companies not only in selling policies but also in their other activities.
- FURTH, H. *Die Frage der Mutterschaftsversicherung*. (Jena: Fischer. 1911. 5.50 m.)  
Shows the need of protection for women who are both housewives and wage-earners.
- GERHARD, W. *Lehrbeispiele zur Theorie und Praxis des Versicherungswesens. I. Allgemeine Versicherungslehre und Privatversicherung*. (Leipzig: J. Wörner. 1911. Pp. 26.)
- GROSS, J. B. *Das Wissenswerteste aus der Reichsversicherungsordnung über die Invaliden- und Hinterbliebenen-Versicherung. Eine kurze, gemeinverständliche Abhandlung über die reichsgesetzliche Invaliden- und Hinterbliebenen-Versicherung, zum Gebrauch für jedermann*. (Leipzig: J. Wörner. 1911. Pp. vi, 56. 0.90 m.)
- GROTJAHN, A. and KRIEGEL, F., editors. *Jahresbericht über soziale Hygiene, Demographie und Medizinalstatistik sowie alle Zweige des Versicherungswesens. Vol. X, Bericht über das Jahr 1910*. (Jena: Fischer. 1911. 12 m.)  
Contains book reviews, a detailed bibliography and periodical abstracts.
- IRANYI, B. *Die deutschen Lebens- und Unfall-Versicherungs-Gesellschaften. Übersichtliche Darstellung der Geschäftsergebnisse in den Jahren 1906-1910. 20. Jahrgang*. (Vienna: J. Eisenstein & Co. 1911. Pp. 40. 1.25 m.)
- VON KÖHLER and others. *Reichsversicherungsordnung nebst Einführungsgesetz mit Erläuterungen*. (Stuttgart: W. Kohlhammer. 1911.)

LANDRE, C. L. *Mathematisch-technische Kapitel zur Lebensversicherung.* (Jena: Fischer. 1911. Pp. xxvi, 528.)  
Fourth edition, enlarged and revised.

MOLDENHAUER, P. *Allgemeine Versicherungslehre. Das Versicherungswesen, I.* (Leipzig: G. J. Göschen. 1911. Pp. 158. 0.80 m.)  
To be reviewed.

RICHARDS, H. M. *Public health and national insurance.* (London: King. 1911. Pp. 71. 6d.)

Author is medical officer of health of Croydon.

SÖHNER, A. *Die private Volksversicherung.* (Tübingen: Mohr. 1911.)

SCHWEDTMANN, F. C. and EMERY, J. A. *Accident prevention and relief. An investigation of the subject in Europe with special attention to England and Germany, together with recommendations for action in the United States of America.* (New York: National Association of Manufacturers. 1911. Pp. xxxvi, 481. \$15.)

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*Life insurance history, 1843-1910; yearly business of all active United States life insurance companies from organization.* (New York: Spectator Co. 1911. Pp. 141. \$5.00.)

## Pauperism and Charities

### NEW BOOKS

ANDEREGG, E. and H. *Armenwesen und Wohltätigkeit. Abgeschlossen auf Ende 1900. III. Heft. Jugend-, Arbeitslosen-, Witwen- und Altersfürsorge. Bibliographie der schweizerischen Landeskunde.* (Bern: K. J. Wyss. 1911. Pp. ix, 925. 4 m.)

BOSANQUET, H. *The poor law report of 1909.* (London: Macmillan. 1911. 1s.)

A summary explaining the defects of the present system and the principal recommendations of the commission, so far as relates to England and Wales.

LASVIGNES, H. *Essai d'assistance comparée.* Encyclopédie internationale d'assistance prévoyance, hygiène sociale et démographie. Assistance, Vol. V. (Paris: Giard & Brière. 1911. Pp. 408. 4 fr.)

LELEU, E. *L'assistance publique à Lille, depuis le XI<sup>e</sup> siècle.* (Lille: Wilmot-Courtecuisse. 1911. Pp. 32.)

SNOWDEN, G. R. *Guilds of help in England.* (London: Wyman. 1911.)

This report recommends closer relations between the guilds and boards of guardians and considers it important that the guilds should not rely upon general contributions from public funds.

WEBB, S. *Grants in aid. A criticism and a proposal.* (New York: Longmans, 1911. Pp. 135. 5s.)

To be reviewed.



WEBB, S. and B. *The prevention of destitution*. (New York: Longmans. 1911. Pp. viii, 348. \$2.00.)

Propounds a constructive policy which would enable the English nation to do away with the great bulk of involuntary destitution.

### Socialism and Co-operative Enterprises

*Socialism: A Critical Analysis*. By OSCAR D. SKELTON. Hart Schaffner and Marx Prize Essays in Economics. (Boston: Houghton Mifflin Company. 1911. Pp. ix, 329.)

Of all the recent critiques of socialism Dr. Skelton's book is easily first. It is free from the silly misrepresentations which characterize the only recent work of its kind with which it suggests comparison—Mr. Mallock's *A Critical Examination of Socialism*. In the discussion of socialism as it relates to the family and religion, the author is careful to avoid the vicious practice of gleaning all the incidents and isolated phrases upon which an appeal to passion and prejudice can be based. This is a decided relief in a work avowedly antagonistic to socialism.

It is to be regretted that the writer could not have added to this negative virtue the positive merit of approaching his subject with a more open mind. His bias is too often manifest. To quote only a single example of this: In the discussion of Marx's theory of value Marx is accused of bringing in "by a side door" the factor of utility (p. 117) and of admitting only "grudgingly and imperfectly" the factor of utility in determining value (p. 119). Yet, one need not read outside of the passages from Marx's writings which Dr. Skelton quotes to realize that, whether the Marxian theory of value be accepted or not, it cannot be denied that recognition of the importance of utility is a fundamental postulate of the theory. In dealing with the socialist movement Dr. Skelton again and again imputes something very like dishonesty to the leaders of the movement because they have from time to time changed their programs. This is especially true in his discussion of the changed attitude of the party toward the farmers, especially in France and the United States. "Vote-catching" is his only explanation. The fact that there has been an honest and frank recognition of the fact that Marx was wrong in his prediction that the independent farm must disappear, swallowed up in an immense centralized agricultural industry; and that the fundamental aim of socialism in no wise requires the

suppression of individual farm ownership and operation, is lost sight of. Yet a careful and candid reading of the *Communist Manifesto* would show that even Marx and Engels conceived the compatibility of the continuance of private property and industry where there was no class exploitation. Even while Marx was still alive, Paul Lafargue, his son-in-law and his most uncompromising disciple, took the position which is now generally adopted by the great socialist parties of Europe and America.

Socialism is a developing movement rather than a fixed doctrine. Marxism, rightly conceived, is a method, rather than a *corpus* of dogma. Of course, Dr. Skelton has no difficulty in finding "glaring contradictions" in the utterances made from time to time by socialist parties and individuals. Liebknecht used to boast that the social democracy of Germany was more receptive to new truths and scientific discoveries than any other body of German citizens, even when these necessitated changes in theoretical statement or tactics.

Perhaps the most characteristic example of the defective logical method of the author is afforded by his treatment of the Utopian experiments and the causes of their uniform failure. They failed, we are told, because the Utopians thought that social constitutions could be abolished at will, and new ones instituted in their place in accordance with carefully devised plans and schemes. Their weakness was internal, inherent. By a curious ratiocinative process Dr. Skelton concludes that the socialism advocated by the Marxian school would fail for the same reasons that the Utopian experiments failed. And yet, the answer to his objection is to be found in his own description of the evolutionary basis of Marxian socialism.

When we make full allowance for the cumulative effect of the author's criticisms upon minor and detached features of the socialist propaganda and policy and consider the bearing of the book upon essential and fundamental things, we are forced to the conclusion that too much is admitted to make the criticism very effective. His modification of Marx's materialistic conception of history does not go beyond the modifications of the early statements of the theory made by Marx's co-worker, Frederick Engels, toward the close of his life. What is more important, perhaps, is the fact that Marx himself, notably in his commentaries upon Feuerbach, went quite as far in his recognition of the

part played by the idealogical factors as did Engels in the letters referred to. It appears to be the natural temper of the controversialist which leads the author to say (p. 105): "The attempt at a monistic interpretation of history, the endeavor to find one pass-key which will unlock all the secrets of the past, is reluctantly and silently abandoned." In the first place, this description of Marx's theory is, as Engels showed, quite ridiculous; in the second place, after the reference to the letters of Engels in particular, Dr. Skelton can hardly justify the suggestion that the "abandonment" which he charges has been "silent."

The doctrine of the class struggle which is inseparable from the materialistic interpretation of history is assailed in its exaggerated form. He does not deny the existence of classes with conflicting interests: "Yet when all qualifications are made, class struggles for economic advantage are a grim reality. Only a blind optimism can deny the reality of the divergence of economic interests and the reality of the conflict which sometimes results" (p. 112). What Dr. Skelton attacks is the notion that a single line of cleavage divides modern society into two fixed classes. Here, again, he does not pay sufficient attention to the best statements of the theory by Kautsky and other writers. He finds a curious paradox in Marx's reasoning that while all progress has been effected through class struggles, with the conquest of society by the proletariat the possibility of economic class formations will disappear. He suggests that the only explanation of the paradox is the teleological optimism of the Hegelian philosophy to which Marx clung. He is concerned, also, for the future of society; "we are headed for a stereotyped state," he concludes. We suggest that the difficulty lies with Dr. Skelton: that it is born of his earnest desire to make a point in the controversy in which he is engaged. Marx does not teach that class struggle is the "source of all progress in the past" (p. 113). The class struggle is rather the channel; the source is the improvement in the method of production and exchange and the social organization resulting therefrom. This distinction is too important to be disregarded, and due recognition of it weakens, if it does not altogether destroy, the force of the author's argument.

The book is a clever rather than a profound criticism. It is a book which students of the subject may read with profit,—especially those who are socialists.

JOHN SPARGO.

- Dictionnaire de Sociologie Phalanstérienne.* By E. SILBERLING.  
(Paris: Marcel Rivière et Cie. 1911. Pp. xi, 459. 15 fr.)
- Charles Fourier et sa Sociologie Sociétaire.* By A. ALHAIZA.  
(Paris: Marcel Rivière et Cie. 1911. Pp. 76. 0.75 fr.)
- Ferdinand Lassalle.* By GEORGE BRANDES. (New York: The Macmillan Company. 1911. Pp. xii, 230. \$2.00.)
- Sidelights on Contemporary Socialism.* By JOHN SPARGO. (New York: B. W. Huebsch. Pp. 154. \$1.00.)
- The Socialist Movement.* By J. RAMSAY MACDONALD. (New York: Henry Holt and Company. Pp. xiii, 256. \$.75.)

"Fourier," declares Silberling, "is beyond question the most powerful and extraordinary mind that humanity has ever produced" (p. 188). It is a questionable tribute to a social reformer that a century after his work has been given to the world his doctrines are still championed by disciples animated by the devotion and exclusiveness of a sect. The real influence of Fourier is rather to be found in the extent to which his teachings have ceased to be sectarian and have become part of the common inheritance, in the general acceptance of the ideal of solidarity and more specifically in the coöperative and profit-sharing movements and in the civic renaissance which embodies what was sound in the dreams of the phalanx. Yet there is much of interest in these two volumes by heirs of the esoteric faith. Silberling's work is a very useful guide to the doctrines of Fourier, in the form of an alphabetically arranged summary of the chief passages bearing on each aspect of the master's teaching. The inaccessibility of many of the writings of Fourier, and their fantastic phrasing and incoherent arrangement make such a guide especially desirable, and M. Silberling has done his work well.

The brochure by M. Alhaiza is explicitly the farewell attempt of the leader of a slowly passing school to commend to the world the message of "this commercial traveller turned social messiah." It contains a useful bibliography, a clear analysis of the essentials of Fourier's teaching which will supplement, though not supersede, Gide's study, a review of the attempts made to found the model phalanstery,—the latest only seven years ago,—a history of the school, and a revisionist endeavor to reinterpret the master's teachings in the light of changed conditions, and to show that in them alone is escape alike from plutocracy and from communism. Both

works will help distinctly to reveal the insight and the suggestiveness of Fourier, who, though labelled socialist, is nearer the liberal than the socialist of today.

No greater contrast to Fourier's retiring, quaintly whimsical character could be found than is afforded by the dazzling brilliancy of that prince of agitators, Lassalle. Brandes' study is especially valuable for the light it throws on the personality of the 'tragic comedian' and for the analysis of his writings, especially those on philosophical and juristic subjects. It is to be regretted that in re-issuing the work, first printed in English thirty years ago, the opportunity was not taken to include an estimate of the part played by Lassalle in the development of contemporary German social democracy,—a part which perhaps his personal fascination has led many to overestimate. Brandes' point of view is essentially the literary one; the economic criticism is not weighty. The relation of Lassalle in his last years to the Prussian reactionary authorities is glossed over. Lassalle the man stands out clearly.

The three lectures contained in John Spargo's book represent primarily the endeavor of a liberal Marxian socialist to persuade his fellow socialists to cleave to the spirit rather than to the letter of Marx. The first, "Marx, Leader and Guide," is a discriminating appreciation of Marx's character and services, prepared to commemorate the twenty-fifth anniversary of his death. It dwells on the idealism of Marx, and places his title to permanent fame on his sociological rather than on his economic theories. In restating the materialistic conception of history, "the foundation of Marxism," Spargo adopts the serious qualifications made by Engels in later years, and, as is common, omits all reference to the class struggles which to Marx's Hegelian mind were of the essence of the doctrine. The second lecture, "Anti-Intellectualism in the Socialist Movement," is an historical survey which shows conclusively the importance of the intellectuals to the party, and the inconsistency of many of their critics. For obvious personal reasons, Mr. Spargo has omitted the recent manifestations of anti-intellectualism in the United States; there was, however, no reason for omitting discussion of the syndicalist movement in France and Italy, both in theory and in practice incomparably the most significant development of the tendency. Had this development been treated it would have been necessary to meet the forceful arguments of the

French anti-intellectual intellectuals who object to a socialist movement not only staffed but manned by middleclass supporters, and carried on in the middleclass forum of parliament rather than by the peculiar proletarian instrument, the labor union. The unexpected *validity* of the middle class has upset all Marxian tactics and prophesying. In the third lecture, "The Influence of Marx on Contemporary Socialism," the thesis is ably maintained that while socialism is abandoning Marx the theorist, it is coming nearer to Marx the tactician. Aside from the inconsistency thus admitted between the theory and the tactics presumably based on the theory, it may be questioned whether the opportunism ascribed to Marx was ever more than skin deep; the opportunism which makes use of existing institutions to compass their eventual destruction is little akin to the opportunism which accepts the institutions as permanent factors. A curious slip occurs in the reference to the success of socialism in Saxony as a proof of the possibilities of opportunism in agricultural districts (p. 152), the Red Kingdom, of course, being preëminently industrial, and, with the exception of the Hanse towns, the most highly urbanized state of the Empire. The book is written in Mr. Spargo's usual forceful style and merits the attention of all students of the subject.

Mr. Ramsay MacDonald, at once the ablest parliamentary hand and the most scientific theorist in the British Labor party, contributes the volume on socialism to the new Home University Library, a series of excellent popular summaries of the latest thought in many fields, art, literature, science, philosophy and religion, history and social science. Mr. MacDonald has written similar manuals before but surpasses himself in the present contribution. While from the nature of the task presenting little that is new, he has given a lucid and persuasive exposition of socialist criticism, construction and campaign, which on the whole forms the best brief introduction to the subject yet written from the socialist viewpoint. Qualifications to be borne in mind are Mr MacDonald's insular assumption that the British brand of socialism is socialism, and his strong opportunist and anti-Marxian bias. In the same series there are provided expositions of *Liberalism* by Professor L. T. Hobhouse, and of *Conservatism* by Lord Hugh Cecil. It is interesting to note what slight bounds divide Mr. MacDonald, who stands on

the extreme right of socialism, and Professor Hobhouse, who represents the extreme left wing of the present-day British Liberalism.

O. D. SKELTON.

*Queen's University, Kingston, Canada.*

*Le Socialisme et l'Activité Economique. Etude sur les Mobiles de l'Activité Economique Individuelle dan les Diverses Conceptions Socialistes.* By MARCEL BRAIBANT. (Paris: Félix Alcan. 1911. Pp. 226.)

A scholarly search among the dissident theories of the nineteenth century; an exposition and criticism of the communist, anarchist and Marxist views on the problems of wealth, property, labor, the distribution of tasks and of product as these affect the economic activity, this is the substance of the work cited above.

French custom still sanctions Braibant's belated use of the word socialism as applied to all social theory aiming at redistribution of power and property, and likewise justifies his subdivision of this class of theory into communism and collectivism, a classification which always seems to overlook the vital dividing lines between the many contemporary factions offering proposals for social reconstruction. When, in his study of communism and the conditions of economic activity which forms the substance of Book I, M. Braibant groups together theorists as opposed as Fourier and Louis Blanc on the one hand, and William Morris, Kropotkin and Henry George on the other, a doubt of method again arises, but second thought justifies the plan. The theorists in question may and do stand somewhat sharply separated on questions of social organization or methods of propoganda, but as judges of human nature and especially as economic psychologists it seems safe to classify them as Braibant has done.

Gleaning from the best literature of the school, Braibant shows his reader why communists demand the abolition of ownership and propose instead community control of production and consumption goods. It is because they believe ownership breeds egotism and because only by socializing and universalizing labor can attractive work, the primary need of man's nature, be secured to all. With unusual fairness, clearness, and completeness of illustration, Braibant explains in two interesting chapters (Book I, chapters iii and iv) the communist's creed that, when protected from the dread of hunger, educated so that common feeling replaces the present

abnormal self-feeling and left free to choose his task, man will naturally work. "Joy in process" is an instinct of normal man.

It is the more generous of M. Braibant that he so justly states this doctrine of natural altruism and love of work, since he does not at all agree with it. An unqualified individualist, he protests that communism, as a theory of organization, is based on an unsound psychology "incapable of assuring the existence of society, destroying the wellsprings of activity, leaving man without ambition" (p. 134). With the earliest economists, he asserts and re-asserts that man cannot be "roused from his inertia" except by need of food, desire for provision against the future, and for the satisfaction of his ambition (p. 219), and that therefore the industrial organization must be such as to leave him free to try his powers without check or hindrance.

The psychology of the collectivist, the school which in Braibant's view comprises not only Marx and Engels, but Pecqueur, Schaeffle, Menger and Sombart, forms the matter of Book II. As to the motives for the economic activity of the individual, collectivism, says Braibant, is sound, for it "is the doctrine of personal interests" (p. 184). Measured by our author's standard, the collectivist falls short, not in judging man's nature but in his plan, implied or outlined, for the organization of industry. To all the customary objections to coöperative industry as substitute for the competitive system, Braibant adds a careful and exact criticism of the sketch of production socially regulated, for which Renard is chiefly responsible. The collectivist's scheme, since it exacts a limitation on ownership, which leaves only consumption goods to reward individual effort and risks standardizing these, and since further it involves a democratic and bureaucratic control of the commodities to be produced, may, we are told, promise security, but it inevitably implies mediocrity and a static society, for it gives no real play to self-interest.

M. Braibant's insistence that communists are idealists is as unassailable as his contention that collectivism is not true to its own premises. But he himself gives us nothing better than these half-truths. As alternative, he proposes a free chance in the economic field to all, with the winners of large fortunes cultivated to a keen sensitiveness concerning the needs of the weaklings and ready to use their surplus for the public weal.

In fact, the disappointing feature of the book is the author's



conclusions (pp. 2, 7, 226). To seek, through a study of a group of theories, new light as to the mainsprings of economic action is to attack a problem of first interest; to answer it in the stock phrases of nineteenth century individualism, reiterating the debatable doctrine of the lazy, "economic" man spurred to action only by hunger and ambition, and to propose a benevolent feudalism as a way out, is at best to contribute nothing new to the field of discussion. The instincts of acquisition and emulation, on which Braibant lays the whole stress as motive forces, undoubtedly play a vital role in the development of economic institutions. It is, however, some years since careful students of these institutions have shown that the instinct of workmanship has an equally determining share. The services of this instinct and certain other subsidiary motives our author has either overlooked or denied.

Those desiring easy access to the economic psychology of communists, anarchists and Marxists, will find M. Braibant's book a handy and reliable way of getting it; those seeking new light on the motives for economic activity will meet disappointment.

JESSICA B. PEIXOTTO.

*Le Syndicalisme Contemporain.* By ALEXANDRE ZEVAES. (Paris: Albin Michel. 1911. Pp. 357. 3 fr.)

*Der moderne französische Syndikalismus.* By ANTON ACHT. (Jena: Gustav Fischer. 1911. Pp. 185. 4.80 m.)

M. Zévaès is known through his book *Le Socialisme en France depuis 1871*. He now turns to a study of the history and present condition of syndicalism in France, as well as to the larger movement so far as it expresses itself through international associations.

Syndicalism has been defined as "the most recent device for making trouble between capitalist and laborer." It has come to stand popularly for antagonism to peaceful adjustments like those for which the Civic Federation is supposed to stand. Its appeal is not to arbitration or trade arguments or any development of collective bargaining. In its more recent development in France (and now aggressively in this country) syndicalism stands for the strike and especially for the "general strike." This leads the author to trace the history back to the mysteries of *compagnonnages*:—to the sharp chronic conflicts between masters and men during the sixteenth and seventeenth centuries down to the abolition of *corporations* by the Constitutional Assembly in 1791. This act aroused stormy protests. In the following

June the fateful law was passed which until 1864 checked the laborer's right to strike and the rights of effective association until the eventful year of 1884. The author shows with admirable lucidity what this law meant. The lawyer, Le Chapelier, who reported it, insisted that there were only two interests: that of the individual and that of the general public. There were no *intermediary* interests like those of the carpenters, shoemakers and millers. He speaks of these as "leurs pretendus interets communs."

It is on this background that the author enables us to study syndicalism. In three chapters, including the International, he brings us to the law of 1884, which frees the trade-union and brings labor and active socialism with great rapidity into politics. In chapters 5 and 6 we see the rise of the Bourses des Travail, and the appearance of the general strike as a method. Then follows C. G. T. (Confédération Générale du Travail) which has played such havoc ever since with all ideas which assume common interests between employer and employed. The relation between this body and socialism is made clear, as are the relations between the *tactique reformiste* and the more revolutionary groups.

An illustrative chapter is given to the Railroad Strike and the General Strike of October, 1910, as well as a final chapter on the movement in the agricultural districts. Of special use to the student are the *Annexes*, which give admirable documentary matter on the present serious difficulties in France.

The more thorough study of Dr. Anton Acht, is, in its best sense, the work of the academic student. Dr. Acht is concerned with the history, theory and practice of this phase of socialism. He gives some seventy pages to the literature, the history, organization and personnel of the movement. In the main body of the volume is an extremely careful study of the revolutionary aspects of syndicalism; its principles and its methods; the class struggle, anti-patriotism, strike, boycott, and sabotage. This is followed by detailed criticism rendered the more useful by free citation of authoritative opinions from the leading syndicalists. A second part is devoted to the "reform branch"—a most disturbing form of modern socialism—with an attempt to estimate the relative influence of the two wings. The volume closes with a short chapter on the *lex Briand*, and the fruit of the recent railroad strike together with the fateful questions which it raised.

*It is the essence of syndicalism to use the strength which its inclusive organization gives to stop industry. What then shall a government owning state railroads do if its own employees paralyze the system of transportation? It has heightened the interest in this sharp contest that socialists see clearly what awaits them if governmental responsibility is at last in their hands. What will the socialist state do if its own servants strike? Especially, what can it do if its own employees adopt the syndicalist method of the General Strike? To the brave Utopians who believe no such discontents would show themselves under socialism, this presents no terrors. But those whom responsibility has somewhat chastened see clearly that any socialist administration would have its malcontents, its "outs" precisely as we have them at present. The sinister weapon forged and sharpened in our competitive society would serve instant and dangerous uses in the socialist state. That a "reform party" should have arisen since 1905 indicates the hesitation over the logic of the general strike which the soberer minds come to feel. Except among these few, the movement is at heart anarchistic. It fears the alliance of socialism with parliamentary methods and all the centralizing discipline which this implies.*

It is significant that our counterpart of syndicalism, The Industrial Workers of the World, held their first conference in Chicago in 1905, the year after the Haywood-Moyer trial. The leading spirits in Western Federation of Miners were prominent in this gathering and Haywood's pamphlet on "The General Strike" (printed by S. Schreiber, New York City, 1911) gives the spirit of the movement here. It is producing among us a new literature with several periodicals in English, Spanish, Polish and French. The "Industrial Worker," a weekly published in Spokane, Washington, will give the reader an idea of the propaganda.

JOHN GRAHAM BROOKS.

*University of California.*

#### NEW BOOKS

ANTONELLI, E. *La démocratie sociale devant les idées présentes.* (Paris: Rivière. 1911. Pp. 269. 3 fr.)

BEBEL, A. *Bebel's reminiscences.* (New York: The Socialist Literature Co. 1911. Pp. 224. 75c.)

Translated from the first German edition, by Ernest Untermann.

BECHAUX, A. *Les écoles socialistes. Marxisme. Réformisme. Syndicalisme. Les écoles économiques au XX<sup>e</sup> siècle*, Vol. III. (Paris: Alcan. 1911. Pp. 154. 4 fr.)

BIERMANN, W. E. *Anarchismus und Kommunismus*. (Leipzig: A. Deichert. 1911. 2.70 m.)

BIERMANN, W. E. *Karl Georg Winkelblech (Karl Marlo). Sein Leben und sein Werk. I. Leben und Wirken bis zum Jahre 1849. II. Die deutsche Handwerker- und Arbeiterbewegung des Jahres 1848. Winkelblechs Leben und Wirken bis zu seinem Tode 1865*. (Leipzig: A. Deichert. 1911. Pp. 400; 520. 7.80 m.; 10 m.)

BOULGE, C. *La sociologie de Proudhon*. (Paris: Armand Colin. 1911. 3.50 fr.)

COULTER, J. L. *Coöperation among farmers, the keystone of rural prosperity*. (New York: The young farmers' practical library. Sturgis & Walton. 1911. Pp. vii, 381. 75c.)

CRAWFORD, J. S. *Political socialism, would it fail in success?; a book for busy men*. (Cherokee, Ia.: J. S. Crawford. 1911. Pp. viii, 110. 25c.)

ENGELS, F. *Die Entwicklung des Sozialismus von der Utopie zur Wissenschaft*. (Berlin: Buchhandlung Vorwärts. 1911. Pp. 68. 1 m.)

Sixth edition, with preface by Karl Kautsky.

GOLDSTEIN, D. and AVERY, M. M. *Socialism: the nation of fatherless children*. Second edition. (Boston: T. J. Flynn & Co. 1911. Pp. viii, 365. \$1.25.)

HARMIGNIE, P. *L'Etat et ses agents; étude sur le syndicalisme administratif*. (Paris: Alcan. 1911.)

HENDERSON, F. *The case for socialism*. (London: Jarrold. 1911. Pp. 192. 2s. 6d.)

HYNDMAN, H. M. *The record of an adventurous life*. (New York: Macmillan. 1911. Pp. 460. \$1.75.)

An autobiography which among its topics of interest includes the writer's connection with the early phases of the socialist movement in England and his relations with Mazzini, Morris, Marx and others.

LECOLLE, C. *Les associations agricoles, syndicats, coöperatives, mutualités et les nouvelles lois sociales*. (Paris: J. B. Baillière. 1911. Pp. 348. 6 fr.)

MARGARITA, F. *Le problème social. Individualisme ou collectivisme?* (Paris: Société des Publications Littéraires. 1911. 2 fr.)

MUSTO, R. *La odierna evoluzione dello stato democratico*. (Naples: Detken & Rocholl. 1911.)

Discusses the relation of the individual to the state. Voluntary groups of men constitute an effective counterbalance to the restraint of state.

QUACK, H. P. G. *De socialisten*. (Amsterdam: P. N. van Kampen & Zoon. 1911. Pp. viii, 461. 12.50 fl.)

RIVAIN, J. *Les socialistes anti-démocrates. L'avenir du syndicalisme. La patrie des prolétaires. A propos des retraites ouvrières*. (Paris: Nouvelle Librairie Nationale. 1911. Pp. 72. 0.75 fr.)

ROSENBAUM, E. *Ferdinand Lassalle. Studien über historischen und systematischen Zusammenhang seiner Lehre*. (Jena: Fischer. 1911. Pp. viii, 218. 5.50 m.)  
To be reviewed.

RUSSELL, H. A. *Constructive socialism*. (New York: Scribner, imported. 1911. Pp. ix, 228. \$1.25.)

STAUDINGER, F. *Kurze Übersicht über das genossenschaftliche Bildungswesen*. (Hamburg: Verlagsanstalt des Zentralverbandes deutscher Konsumvereine. 1911.)

VERECQUE, C. *Dictionnaire du socialisme*. (Paris: Giard & Brière. 1911. Pp. 502. 5 fr.)

WHITEHEAD, G. *Socialism and eugenics*. (London: Twentieth Century Press. 1911. Pp. 15. 1d.)

WINKELBLECH, K. G. (KARL MARLO). *Aus Karl Georg Winkelblech's (Karl Marlo's) literarischem Nachlass*. Arranged by W. E. BIERMANN. (Leipzig: A. Deichert. 1911. Pp. v, 163. 3 m.)

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*The coöperators' year book for 1912*. (London: Co-partnership Publishers. 1912. 4d.)

## Statistics

*An Introduction to the Theory of Statistics*. By G. UDNY YULE.  
(London: Charles Griffin and Company; Philadelphia: J. B. Lippincott Co. 1911. Pp. xiii, 375.)

Mr. Yule has furnished what is easily the best introduction available to the methods of the Galton-Pearson school of statistics. The product, in part, of a seven years' tenure of the Newmarch Lectureship in Statistics at University College, London, the book shows in every page that painstaking care has gone into its preparation. Though Mr. Yule has denied himself the employment of any but elementary mathematics his book is distinctly one for the serious student and, one may fairly say, for the mathematically minded. The treatment is as rigorous as it well could be under the limitations set, and throughout the book there is an effort to make clear the principles involved and to avoid everything that approaches a mere rule of thumb. At some points one feels, in-

deed, that Mr. Yule's elucidation of principles becomes merely exposition for exposition's sake. Why, for example, should the student be required to master the awkward proof of the validity of the coefficients of regression and the coefficient of correlation given on pages 169-173 when a simpler, neater, and more general proof is given elsewhere (pp. 227-229)?

In the three general divisions of the book Mr. Yule deals in order with "the theory of attributes," "the theory of variables," and "the theory of sampling." The theory of attributes has to do with the methods of drawing inferences from the frequency with which certain attributes, not necessarily quantitatively measurable in themselves (such as insanity, illiteracy, nationality), are found to be present or absent in given groups. Here Mr. Yule speaks with especial authority, for in several memoirs, building on the foundation given by the symbolic logic of Boole and Jevons, he has done much to develop useful general rules for the statistical treatment of attributes and has introduced a simple and convenient symbolism. The systematic treatment of this subject contained in his book is an innovation to be highly commended, for it is in this field that seemingly simple statistical facts are most often mishandled and wrong or dubious inferences drawn.

The general treatment of frequency distributions, of averages, and of measures of dispersion comes under the head of the theory of variables, while the theory of sampling covers the older field of the application of the theory of errors to statistics, together with many modern developments. The treatment throughout is generally admirable, although it is colored by the author's fundamental interest in the theory of correlation, which occupies over one half of the second part of the book and one chapter in the third part, while the related topic of the association of attributes is given an important place in the first part. In short, the whole discussion centers around and leads to the subject of correlation. This suggests certain limitations in Mr. Yule's conception of the "theory of statistics." In economic and social statistics, at least, facts may have a significance apart from their statistically determinable correlations, and this should not be forgotten in passing judgment upon alternative methods of presenting and interpreting statistics or upon competing statistical constants. Mr. Yule's preference for the arithmetic average (a preference shared by the reviewer) is based largely upon its amenability to further

algebraic treatment. Similar advantages are properly claimed for the standard deviation as a measure of dispersion or of the precision of an average or other statistical constant. Mr. Yule has especially in mind here the treatment of correlation. But, as Professor Edgeworth has suggested, the probable error has the advantage (which the standard deviation lacks) of corresponding to "a definite notch on the scale of credibility," and the mode and median likewise have an advantage as to psychological definiteness. Such considerations lie fairly outside Mr. Yule's scheme of statistical theory.

The book is possibly deficient pedagogically in that it deals *ab initio* with general principles and only secondarily with concrete problems. That is, concrete problems are not employed in such a way as to indicate at once the significance of the general treatment or to stimulate interest in it. It will scarcely serve as a textbook, but should be invaluable to the serious student who wishes to gain a working knowledge of modern statistical methods. Economic statistics are not neglected, and figure among the well selected problems given with each chapter. The bibliographies are admirably discriminating and furnish the advanced student an adequate guide to the original memoirs in which the methods discussed have been developed. One rarely finds a book in which the arithmetical work and proof-reading have been done so accurately.

ALLYN A. YOUNG.

*Washington University.*

#### NEW BOOKS

CALMES, A. *Die Statistik im Fabrik- und Warenhandelsbetrieb.* (Leipzig: G. A. Gloeckner. 1911. Pp. viii, 189. 4.20 m.)

A study of statistics from the point of view of the industrial and commercial entrepreneur, exposing the carelessness both of theory and practice. The first part is devoted to the organization and technique of statistics; the second to statistics of balance sheets, expense accounts, employes, salaries, etc., taken from the actual business experience of the house of Siemens und Halske, Berlin.

CHEYSSON, E. *Oeuvres choisies.* (Paris: Rousseau. 1911. Pp. 412. 10 fr.)

The fruits of forty years' study are comprised in this publication which the author calls his "testament social."

MACIEJEWSKI, C. *Les nouveaux fondements de la théorie de la statistique.* (Paris: Giard & Brière. 1911. Pp. 127. 3 fr.)

MARCH, L. *De la method dans les sciences*. Second series. (Paris: 1911. Pp. 50.)

Summarizes the development of statistical research and its value for administrative and other purposes.

ROBINSON, L. N. *History and organization of criminal statistics in the United States*. Hart Schaffner & Marx Prize Essay. (Boston: Houghton Mifflin. 1911. \$1.00.)

Sketches the work of each state and of the United States as a whole; tells where statistics are to be found and estimates their value; outlines a plan for the reorganization of criminal statistics.

VIRGILI, F. *Statistica*. (Milan: Hoepli. 1911.)

ZAHN, F., editor. *Die Statistik in Deutschland nach ihrem heutigen Stand*. (Festgabe für von Mayr.) Two volumes. (Munich: J. Schweitzer. 1911.)

A comprehensive work, sixty contributors having supplied chapters on different phases of statistical inquiry.

ZIZEK, F. *Methods of statistics*. Translated by W. M. PERSONS. (New York: Holt & Co. 1911.)



## DOCUMENTS, REPORTS AND LEGISLATION

### Industries and Commerce

The Bureau of the Census has issued a preliminary bulletin on *Irrigation: Idaho* (pp. 11), containing statistics as to the acreage irrigated, cost of operation and value of irrigated crops. The different types of enterprises are classified under several headings, as Reclamation Service, Carey Act, Coöperation, etc.

The two Bulletins, Nos. 90 and 91, of the Bureau of Statistics of the Department of Agriculture on *Imports and Exports of Farm and Forest Products, 1908-1910* (Washington, 1911, pp. 80, 96), present a comprehensive analysis of the foreign trade of the United States in agricultural products.

The *Report of the Chief of the Bureau of Statistics for 1911* of the Department of Agriculture (Washington, 1911, pp. 20) calls attention to certain new features recently introduced in the monthly publication, the "Crop Reporter." Reports on the cost of producing corn, wheat and oats appeared in the April, May and June issues of 1911. A report upon the average wages paid to farm labor will be made annually. The *Report* also contains tables showing comparative prices of articles purchased by farmers in 1899, 1909 and 1910; "quantities purchasable by value of one acre," and "purchasing power of produce of one acre in 1910 as compared with 1909 and 1899."

An interesting series of maps showing the shifting of centers of wool production in the United States between 1840 and 1900 may be found in a study entitled *The Place of Economics in Agricultural Education and Research*, by Professor Henry C. Taylor (Madison, Wisconsin University Agricultural Experiment Station, Research Bulletin No. 16, June, 1911, pp. 98-130). The paper contains many suggestions as to method in the study of agricultural economics. A striking series of charts shows the distribution of man labor during the successive days of the planting, cultivating and harvesting seasons for a variety of crops.

*Systems of Farming in Central New Jersey*, by G. A. Billings and J. C. Beavers (Washington, Department of Agriculture, Farmers' Bulletin 472, 1911, pp. 40) contains financial data relating to a high priced tenant farm in New Jersey over a long series of years. The terms of contract between the owner and tenant, records of inventory,

and income and expense accounts are given. The valuation of the farm is \$35,000. For ten years the average net profit to the landlord has been \$2524, or an interest of  $7\frac{1}{4}$  per cent per annum. The tenant has been able to save \$500 annually after paying all expenses incident to bringing up a family.

In Bulletin 138, Bureau of Animal Industry of the Department of Agriculture, Dr. Geo. M. Whitaker makes a report upon the *Milk Supply of Chicago and Washington* (Washington, 1911, pp. 40). This report provides a useful continuation of similar investigations for Boston, Philadelphia and New York, reported upon in 1905 in Bulletin 81. The milk supply of Chicago, unlike that of Boston and New York, is produced near by. Tables and charts show wholesale prices over a series of years.

A third study for Minnesota, dealing with costs in agriculture, is presented by the Department of Agriculture in Bulletin 88, *The Cost of Producing Minnesota Dairy Products, 1904-1909* (Washington, 1911, pp. 84), prepared by Thomas P. Cooper. Since 1902-3 three communities of farmers in Minnesota have been under observation in order to secure accurate data in regard to farm finance. Bulletins 48 and 73, published in 1906 and 1909 respectively, relate to the same general investigation. From eight to ten farms were selected in each community, and in coöperation with each group a special agent was stationed to supervise the collection of the data. It was the duty of this agent to visit each farm daily, obtain a complete report as to the number of hours of man and horse labor spent on every operation, and the amount of sales and expenditures. A part of three days out of every month was spent by the agent on each farm, during which period grain and other food was weighed, and the milk of each dairy was tested and weighed. From such records the annual cost of maintenance of a cow, allowing for depreciation and interest, is given by years for the three communities:

Northfield . . . . .	1905, \$54.42; 1909, \$62.82
Marshall . . . . .	1906, \$40.46; 1909, \$47.86
Halstead . . . . .	1904, \$42.21; 1909, \$58.91

In each community the increase in cost was due particularly to labor and food. The cost of producing milk and butter fat is also calculated. In 1909 the average income per cow was less than the cost of maintenance at all three of the stations.

*In Marketing Grain and Live Stock in the Pacific Coast Region, by*

Frank Andrews, the Department of Agriculture presents a large amount of data in regard to changes in costs and methods of marketing during the past forty years (Washington, 1911, pp. 94). Figures are given showing prices received by farmers and prices in the central markets.

Bulletin No. 122, of the Agricultural Experiment Station of the University of Nebraska, treats of *Cost of Growing Crops in Nebraska*, by C. N. Pugsley (Lincoln, 1911, pp. 12). In the accounting, interest and taxes are included, but not the cost of marketing. The returns of 158 farms in 1910 show for corn an average cost of 31.4 cents per bushel, and for wheat (based on 150 returns) 57 cents per bushel.

The Bureau of Manufactures has issued a pamphlet, *Special Agent Series, No. 47, on The English Cotton-Goods Trade*, by J. M. Hanse, (Washington, 1911, pp. 11). Among the points discussed are the system of renting room and power whereby but little working capital is required, particularly in the weaving branch of the industry. In this same series, No. 46, Ralph M. Odell treats of *Cotton Goods in Spain and Portugal* (pp. 64).

In the September number of the REVIEW (p. 632) reference was made to a summary of the *Report of the Commissioner of Corporations on the Steel Industry*. Part 1 of the complete report may now be had (Washington, pp. xxiv, 422).

In *Land, Fisheries and Game, and Minerals* the Commission of Conservation of Canada collects a series of monographic studies, several of which have a direct economic bearing. Of special interest are the maps and diagrams in the part devoted to minerals. A chart shows the production of gold from 1857 to 1910 in the different countries of the world.

"American Industries" in its issue for December, 1911 publishes a map of the present trade conditions of the world, showing the possibilities of export trade. This chart has been prepared by the foreign department of the National Association of Manufacturers from special reports recently received.

In Bulletin 192, issued by the Ontario Department of Agriculture, Mr. S. E. Todd gives a study on *Agricultural Coöperation* (Toronto, 1911, pp. 51), including a brief history of methods in Europe, United States and Canada.

*The Canadian Year Book 1910* (Ottawa, Census and Statistics

Office, 1911, pp. 463) continues the tables presented in previous issues, adding, however, more complete details of items of exports and imports. There are also new tables of electric light companies.

### Corporations

**REPORT OF THE RAILROAD SECURITIES COMMISSION.** In its recent report to the President, the Railroad Securities Commission (Washington, 1911, pp. 44) has accomplished an admirable piece of work. The document is concise, even crisp in statement; cogent in reasoning (with the exceptions noted below); wise in general conclusions; and conciliatory in spirit. It should materially assist in the promotion of those good relations between the government and the railroads, now happily in a fair way to become established. No one can question the wisdom of the emphasis laid upon full publicity as the foremost need of the time. Whether it is enough by itself to prevent a recurrence of past abuses may indeed be doubted. The publicity features of the acts of 1906 and 1910 are certainly bound to be far reaching in their effects upon operation. They should with equal certainty, as is here proposed, be extended to cover both promotion and subsequent financing.

Not less important and wise than the insistence upon financial publicity is the recommendation that, until the Supreme Court has clearly defined the relations between federal and state authority, the federal government shall refrain from attempting to regulate the issue of securities. Too many difficult legal complications remain to be cleared up.

One might perhaps have wished for a somewhat more enthusiastic commendation of the efforts of states like Massachusetts and New York to cope with their local problems of financial control. The apparent absence of a due appreciation of the importance of the work of the various public service commissions all over the country may perhaps be accounted for on the ground that it lies outside the scope of the work of a purely federal commission. Yet a word of encouragement to these state administrations would have done something to offset the rather negative character of its conclusions. Someone must exercise financial control. If inadvisable for the federal government to undertake it at this time, as may well be, then it is important to emphasize the fact that the states must do it as best they can. On the other hand, the recommendations concerning physical valuation as an element in rate regulation are sufficiently progressive to impart

an aspect of judicial balance and general fairness which inspires confidence.

Two specific conclusions of the commission, however, seem still open to debate. One is the contention that little relation obtains between capitalization and rates. The statement is, of course, largely true; but like most generalizations of the sort fails to state the whole truth. It is probably absolutely true as to *particular* rates. No one would claim for a moment that the heavily capitalized Wabash, operating in Trunk Line territory alongside the Pennsylvania system, could charge any higher rates because of its financial disabilities. Rather the reverse. But while true of particular rates, capitalization does exert an *indirect* but nevertheless a very appreciable influence upon the *general* level of rates. For this point, I have argued elsewhere at some length.<sup>1</sup> Is it surprising that the pressure for advanced rates in 1910-1911 in Trunk Line territory should come from the heavily capitalized New York Central with substantial aid and comfort from the Erie? Was it a mere coincidence that the Lackawanna road, with its securities quoted above 500 was a less prominent factor in the agitation than some of its neighbors? True enough, no direct relation between rates and capitalization exists; but that a positive incentive to higher charges in general may be found in the need of supporting a large capitalization seems reasonably clear in the light of experience. It seems to me that this has been unduly minimized in the report.

A most debatable and, as I hold it, dangerous proposition in this report is the proposed abolition of the "dollar mark" upon capital stock. However desirable it may be for mining companies and the lesser industries, as in Germany, to do away with any stated par value for share capital in order to disabuse the public mind of its purely artificial character, the proposition is quite different when applied to an industry like a railroad. There is all the difference in fact between purely private and competitive conditions of a more or less speculative character, and those under which monopoly privileges are conferred by gift of the public. Space does not permit a criticism of this proposition in detail. I have elsewhere discussed it more at length.<sup>2</sup> Many objections occur at once, none of them mentioned in this report which, almost jauntily, as it seems, proposes to revolutionize all of our customary habits of financial thought. Among these objections there

<sup>1</sup> *Political Science Quarterly*, XXII (1907), p. 600.

<sup>2</sup> *Railway-Age Gazette*, November 24, 1911, p. 1064.

is the fact that abolition of par value removes the restraint upon the promoter or management for liability to creditors in case of part paid shares. The experience of the Asphalt Company of America is illuminating in this regard. May we trust mere publicity to provide corresponding safeguards for honest promotion with this liability removed? Then again, how about the issue of stock in exchange for property acquired, as has frequently occurred in the course of recent railway consolidation? Is it immaterial whether the absorbing company has put out 500,000 "participating shares," with a market value of \$100 each, or twice that number of "certificates of participation" commanding half that figure per unit in exchange for the property acquired? And still further, there is the inevitable effect upon speculation. One of the primary needs today is to separate our common carriers from Wall Street influence. Does it make no difference whether the Southern Railway "participating shares" are traded in around 25; or those of the Louisville and Nashville command a price of 150? Low quotations offer a great stimulus to speculative manipulation—as any student of Rock Island affairs must concede. To do away with par, which means permission to emit, without reproach at any figure "below par"—how hard it is, indeed, to get rid of that conception of some standard of normality—cannot but exert a malign influence. And then, finally, there is over and above all other considerations the need of some general standard of comparison for all sorts of purposes—some base from which to judge of normality. To wipe out all such standards, with the mere warning to public and investors alike to beware, seems like a step backward.

This brings us to the insistence of the commission upon the present need of the railroads for more capital for development; and the difficulty of financing new enterprises under regulative provisions of law, such as the prohibition of the issue of shares at a discount. Massachusetts has recently passed through an experience of probably excessive regulation. But simple modifications of its anti-stock-watering laws seem to have solved the difficulty. Of course the developmental problems of the West and South are quite different from those of New England. Yet there is the experience of Texas to fall back upon. Complaint is made, of course, especially by the Gould roads, of the insufficiency of capital for new work. But the growth of mileage seems, nevertheless, to compare not unfavorably with progress in other states. Are the Gould roads, for example, any better off in other states where greater liberality of laws prevail? The

fact is that much new construction and improvement remains to be done all over the country, as this report duly emphasizes; but much of it is to be done by companies already in the field. Not many new steam railroad companies are now needed even in the West. Let them learn the lesson, so often forgotten, that honest management and conservative financing, to the end that solid credit be first established, has far more to do with facilitating development than non-interference by law. This is probably a time when encouragement to the railroads in a period of stress should properly be given. But let us not forget that good faith to the public and to stockholders, together with prudent financing, must be the primary source of credit.

Many admirable features of this report deserve mention, did space permit. The clear exposition of the distinction between stocks and bonds, and especially the discussion of intercorporate financing, occupy a prominent place. The document is likely to play a large part in the determination of governmental policy in future. It well merits the most careful perusal by legislators, financiers and economists.

WILLIAM Z. RIPLEY.

The *Annual Report of the Attorney General of the United States for 1911* (Washington, Department of Justice, pp. 408) summarizes recent judicial procedure under the anti-trust act, with a memorandum of the prosecutions undertaken during the year, including the Standard Oil, Tobacco, and Powder Trust cases. There is also an extended statement in regard to the cases brought under the Interstate Commerce, Hepburn and Elkins Acts.

There has also been received from the Department of Justice the *Petition before the Circuit Court for the District of New Jersey in U. S. vs. U. S. Steel Corporation and Others* (pp. 98), in which the basic conditions leading up to the organization of the steel corporation and subsequent changes in the extension of its activity are narrated. Among the "Exhibits" are two pool agreements entered into in 1897 and 1900. Lists are given showing the interlocking of directorates.

Relating to the Tobacco case are the *Decision of the Supreme Court May 29, 1911* (pp. 32); *Dissenting Opinion of Mr. Justice Harlan* (pp. 4); the *Oral Argument of Attorney General Wickersham in Hearing of Application for Approval of Plan of Disintegration before the Circuit for the Southern District of New York* (pp. 16); the *Decree on the Mandate from the Supreme Court* (pp. 5); the *Memorandum for the Attorney General on the Investigation of the Dis-*

*integration Plan*, prepared by Dr. A. C. Muhse, of the Bureau of Corporations (pp. 12); the *Cross Petition of Henry A. Wise* (pp. 8); and the *Opinion and Decree of the Circuit Court for the Southern District of New York November 16, 1911* (pp. 69).

*The Twenty-Fifth Annual Report of the Interstate Commerce Commission, December 20, 1911* (Washington, pp. 97) devotes considerable space to the trans-continental railway cases passed upon by the newly established Commerce Court (pp. 27-41).

The work of the Public Service Commission for the First District of New York during the first four years of its establishment, 1907-1911, is summarized in a pamphlet, *State Regulation of Public Service Corporations in the City of New York*, prepared by the Assistant Secretary, James Blaine Walker, 154 Nassau Street, New York (September 1, 1911, pp. 59).

*The Fourth Annual Report of the Public Service Commission, Second District, New York* (Albany, 1911, pp. 433) contains a series of graphic charts illustrating the statistics of some of the larger rail-ways of the state (pp. 152-172).

The Public Service Commission of New York for the Second District has issued a special report on *Transit Conditions in Syracuse and Vicinity* (Albany, 1911, pp. 50).

The *Opinion and Order* of the Public Service Commission for the First District of New York in the case of *Mayhew vs. Kings County Light Company* (No. 1273) rendered October 20, 1911 (New York, pp. 49), represents an example of an exhaustive investigation of cost, physical valuation, working capital, "going" value, etc. of a public service corporation.

*The Annual Report of the Interborough Rapid Transit Company* for the year ended June 30, 1911 (New York, pp. 36) contains brief statements in regard to recent suits involving taxation, the operation of a voluntary relief department and negotiation with the city for the extension of subways.

The "Wall Street Journal" for January 8, 1912, contains a list of the principal stock and bond issues brought out and sold by railroads, industrial companies and public service corporations during 1911. The aggregate amounted to \$1,946,000,000 as compared with \$1,195,000,000 in 1910 and \$1,400,000,000 in 1909.



The Bureau of Railway News and Statistics has issued *Postal Express vs. Parcels Post* (Chicago, 1911, pp. 18), reviewing the bill introduced by Representative D. J. Lewis, which provides that the government shall take over the express business. Special consideration is given to an analysis of the statistics involved in the discussion of the question.

In response to the request of the Post Office Department the C. B. & Q. Railroad has prepared a statement on *The Mail Pay on the Burlington Railroad* (pp. 46), in which detailed information is given in regard to car space and facilities furnished for mails, express and passenger service.

In *Comparative Railway Statistics of the United States, the United Kingdom, France and Germany*, the Bureau of Railway Economics presents comparisons showing the supply and utilization of railway facilities in the countries named (Washington, Bulletin No. 24, 1911, pp. 47). For the United States the railways of New York, Pennsylvania, New Jersey, Delaware and Maryland are used as a basis of comparison, while for Germany the railways of Prussia-Hesse are taken. Comparisons relate more particularly to the years 1900 and 1909. Tables are given showing railway mileage in proportion to population and area of territory, motive power and equipment, train miles, ton miles, capitalization, revenues, and operating expenses.

*Constructive Railway Policies in Many States in 1911*, issued as Bulletin No. 9 by the Railway Business Association (New York, October 28, 1911, pp. 32) presents a summary of railway legislation during 1911. It is noted that 41 state legislatures in 1909 enacted 664 laws affecting railroads, while in 1911 40 legislatures passed 276 laws. It is concluded that recent legislation is on the whole more friendly to railroads.

A large amount of statistical data in regard to ticket transfers in street railway service in St. Louis is to be found in the report of the St. Louis Public Service Commission to the House of Delegates on the *Transfer System of the United Railways Company* (St. Louis, October 23, 1911, pp. 14, maps, charts).

The sub-committee of the committee on franchises of the National Municipal League has recently published *Suggestions for a Model Railway Franchise*, which was presented at the Richmond Conference, November 16, 1911 (James W. S. Peters, Kansas City, pp.

18). The entire railway in a given community should be operated as a unit; extension should be made even if a particular extension does not show an immediate source of profit; the city should reserve the right to build extensions to be operated by the grantee upon fair terms; franchises should be indeterminate; a purchase-price clause should be included, involving a valuation of the physical property; a purchase fund should be accumulated out of the revenue received by the city from the company, whereby the company's bonds are purchased from time to time and ultimately offset the company's entire equity in the property; provision should be made for regulating the service. Mr. Delos F. Wilcox of New York joins with Mr. Peters in making the report.

### Labor

WASHINGTON WORKMEN'S COMPENSATION ACT CONSTITUTIONAL. On September 27, 1911, the workmen's compensation act of the state of Washington was upheld by the supreme court of that state. The law was enacted March 14, 1911 to go into effect on October 1 of the same year. The constitutional points of the law were, therefore, decided before its provisions had been put into effect. The state auditor believed the law unconstitutional and therefore refused to issue an order upon the state treasurer for the expenditure of funds that had been provided for establishing the proposed compensation system. Mandamus proceedings followed; the law passed immediately to the courts, and received the speedy determination stated above.

The law is the most drastic of its kind enacted in the United States. It provides that workmen injured in extra hazardous labor shall receive fixed and certain compensation "regardless of questions of fault and to the exclusion of every other remedy, proceeding or compensation," except as otherwise provided in the act. If injury results in death, compensation goes to the workman's family or dependents. The so-called extra hazardous employments, according to the language of the act, include factories, mills and workshops where machinery is used; printing, electrotyping, photograving and stereotyping plants where machinery is used; foundries, blast furnaces, mines, wells, gas works, water works, reduction works, breweries, elevators, wharves, docks, dredges, smelters, powder works; laundries operated by power; quarries; engineering works; logging, lumbering, and shipbuilding operations; logging, street and interurban railroads; buildings being constructed, repaired, moved or demolished; telegraph, telephone,

electric light or power plants or lines, steam-heating or power plants, steamboats, tugs, ferries and railroads. Also every other industry shall be included, although not enumerated in this list, if it should prove in experience to be extra hazardous. Employers in such industries are compelled to make contributions to an insurance fund in proportion to the accident hazard of their respective business, but other employers may elect to come under the law. The fund is administered by the state and is used for paying such claims as properly arise under the act.

While the Washington statute is more drastic than that of New York, which was declared invalid by the Court of Appeals on March 24, 1911, the two involve the same constitutional points. However, the Washington court, passing upon these points, held diametrically opposite views from those of the New York court. The latter maintained that when an employer has exercised reasonable care and when he has obeyed the direct laws requiring safety devices, sanitary arrangement, etc., he has fulfilled all the duties that can be imposed upon him. To go beyond this with legislation would be to create liability without fault, which cannot be done under our constitutions—not even under the police power, i. e., the power of the state to regulate industry in behalf of the public welfare. Opposed to this view, the Washington court holds that, if circumstances warrant, liability without fault may be created; it cites numerous cases in which this has been done, and has been supported by the courts. The test of a state's power to regulate industry (to quote from the opinion of the court) "is found in the effect the pursuit of the calling has upon the public weal rather than in the inherent nature of the calling itself." As to the act in question, the court holds that if it has a "reasonable relation to the protection of the public health, morals, safety or welfare, it is not to be set aside because it may incidentally deprive some person of his property without fault or take the property of one person to pay the obligations of another. To be fatally defective in these respects, the regulation must be utterly unreasonable and so extravagant in nature and purpose as to capriciously interfere with and destroy private rights." The court believes that it is not unreasonable to hold employers responsible for remote and the more serious consequences following the use of their property, and therefore allowed the law to stand.

Since compensation laws are as much a matter of the federal as of the state constitutions, the Washington decision should be prompt-

ly passed for review to the Supreme Court of the United States. In view of the present liberal personnel of that court, and further, in view of its recent decision in the *Noble State Bank vs. Haskell* (219 U. S. 104), the Washington decision would probably be upheld. If so, while it would not be binding upon the individual state jurisdictions, nevertheless it would set a high standard of opinion which would probably be followed by the state courts. Then the legislatures would be quite free to pass any desirable compensation act without constantly confronting the constitutional bug-a-boo.

JOHN BAUER.

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In *Accident Bulletin No. 40*, issued by the Interstate Commerce Commission, accident statistics as required by the law of May 6, 1910 are for the first time published for a complete year; consequently the totals are not comparable with those of previous annual bulletins. The Bureau of Railway Economics also presents an *Analysis of the Accident Statistics of the Interstate Commerce Commission for the Year Ending June 30, 1911* (Washington, Bulletin No. 23, 1911, pp. 5).

*Hearings Before the Employers' Liability and Workmen's Compensation Commission, Part 2* (Washington, 1911, pp. 545-771) contains the verbatim report of hearings held at Chicago, October 16-17, 1911. *Part 3* (pp. 767-1114) covers the hearings in Washington, November 6-10.

The Bureau of Statistics of Massachusetts in *Labor Bulletin No. 84* (Boston, October, 1911, pp. 128) prints a summary of *Labor Legislation in Massachusetts during 1911*, with text of the laws enacted in 1910. This pamphlet also contains an index of changes in labor legislation made since 1902; an index of bills affecting labor which were introduced in the session of 1911; and certain opinions of justices of the supreme court.

*The Labor Legislation Enacted by the State of Illinois, 1911* has been compiled in a separate reprint (Springfield, Bureau of Labor Statistics, 1911, pp. 142). It is noted that substantially every legislative measure supported by organized labor was passed by the recent legislature. The most important laws were the compensation act, the act relating to occupational diseases, and revision of the laws relating to mining. The volume also contains the report of the Employers' Liability Commission submitted September 15, 1911 (pp. 15-42).

A pamphlet entitled *The Compiled Labor Laws of Colorado* (Denver, Deputy Labor Commissioner, 1911, pp. 97) includes all enactments relating to labor, to May, 1911.

In a reprint from the *Forty-first Annual Report* entitled *Living Conditions of the Wage-earning Population in Certain Cities of Massachusetts* the Bureau of Statistics of that state furnishes a convenient abstract of parts of the recent report made by the Labour Department of the British Board of Trade (Boston, 1911, pp. 189-333). The data reported by the Board of Trade for the year 1909 have been brought up to date.

The Department of Labor and Industry of Maine has issued in pamphlet form *Labor Laws of Maine* (Augusta, 1911, pp. 72).

The brief of the Industrial Commission of Wisconsin submitted to the supreme court of Wisconsin in support of the constitutionality of the workmen's compensation act has been printed in pamphlet form (Madison, 1911, pp. 85). This contains not only legal arguments but also a resumé of recent inquiry into legislation.

The *Second Special Report of the Bureau of Labor Statistics of California* is a compilation of the labor laws of that state. This constitutes a revised edition, including the legislation of 1911. (San Francisco, pp. 120).

The *Addresses Made at the Fifth Annual Meeting of the Liability Insurance Association on State Insurance and Workmen's Compensation for Accidents* held in New York, October 19, 1911, have been printed and may be obtained from the secretary, Walter E. Hoag, General Accident, Fire and Life Assurance Corporation, Philadelphia.

The Union Switch and Signal Company has printed its regulations showing the plan for sale of stock to employees recently adopted (Swissdale, Pennsylvania).

Bulletin No. 6 of the Milwaukee Bureau of Economics and Efficiency gives an account of the founding and operation of the *Citizen's Free Employment Bureau* (Milwaukee, September 1, 1911, pp. 15).

As a result of a report made some two years ago by Dr. Edward T. Devine, to the Russell Sage Foundation, on the subject of unemployment, a National Employment Exchange was incorporated in New York in April, 1909, and a fund of \$100,000 for its administration was privately subscribed. During 1909 and 1910 three offices were

opened in New York City. Fees were charged, but during the first year there was an operating loss of \$16,700. In the *Second Annual Report* (80 Church Street, New York, 1911, pp. 36), the work of the exchange, its difficulties, as well as its progress, is frankly discussed. The operating cost during the second year was \$13,620 over income. There are interesting tables showing the occupations of applicants by nationalities.

Labor Bulletin No. 86, of the Bureau of Statistics of Massachusetts represents the *Fourth Annual Report on Changes in Rates of Wages and Hours of Labor, 1910*, with comparative statistics for 1907-1909 (Boston, December 1, 1911, pp. 112). It includes an interesting memorandum in regard to the Fall River sliding scale system.

### Money, Prices, Credit and Banking

The *Message* of President Taft, December 21, 1911 (pp. 24), contains recommendations in regard to monetary reform, postal savings banks and parcels post.

The *Report of the National Monetary Commission* (Washington, 1912, pp. 22) containing the draft of a proposed bill, may be had upon application to the secretary of the commission, Arthur B. Shelton.

The Marshall and Ilsley Bank, Milwaukee, Wisconsin, has published *Proposed Plan of National Monetary Commission* (1911, pp. 26) giving the full text of the original and the new proposed plan. Of special value are the explanatory comments, by Professor W. A. Scott, appended to each section.

In *Text of the Annual Report of the Comptroller of the Currency, 1911* (Washington, 1911, pp. 89) reference is made to a special inquiry in regard to the savings departments of national banks (p. 82). Under date of October 9, 1911, a circular letter was sent to 7,301 national banks; replies were received from 6,813. Savings deposits are received by 3,502 banks, or 51 per cent. Of these, 2,289 operate the savings department as a separate division; 5,543 banks, or 81 per cent, favor an amendment in the national banking act, allowing the investment of a certain percentage of deposits in loans on real estate.

The *Annual Report of the Bank Commissioner of Vermont, June 30, 1911* (Newport, 1911, pp. 172) shows that five eighths of the resources of savings banks and trust companies are in mortgage loans, and that

the loans on real estate outside of the state are double those within the state.

The *Banking Laws of Illinois* have been compiled by W. H. Kniffin, Jr. and published in a convenient handbook by the Drovers Deposit National Bank of Chicago (1911, pp. 54).

The 1911 edition of *Trust Companies of the United States* (U. S. Mortgage Trust Company, New York, 1911, pp. 409) continues the useful tables and statistics of previous issues. In addition to returns for each trust company there is a digest of state regulations.

In *Proceedings of the Seventeenth Annual Convention of the California Bankers' Association, June 15-17, 1911* (Frederich H. Curn, secretary, Savings Union Bank Building, San Francisco, 1911, pp. 182, 56) are three addresses on the Aldrich plan, by Stoddard Jess, of Los Angeles (pp. 70-84), John Perrin, of Indianapolis (pp. 84-103), and James McLaughlin (pp. 104-109). The volume also contains a paper on "Depositing State Funds in Banks." The appendix has a reprint of the bank act of California, with an index of the act.

Three addresses by A. Piatt Andrew on *The Purpose and Origin of the Proposed Banking Legislation* have been privately printed (Boston, 1911, pp. 50). The titles of the addresses are "What America Can Learn from European Banking"; "The Essentially American Sources of the Proposed Banking Legislation"; "The Relations of the National Reserve Association to the Treasury."

The National Citizens' League (223 W. Jackson Boulevard, Chicago), the organization of which was mentioned in the December number of the REVIEW (page 904), has issued several pamphlets in addition to those previously noted. Among these are *Origin of the League*, which gives a list of national and state officers in the several branches of the League; *Banking Control* (pp. 14), by Professor Laughlin, who discusses the plan of the National Reserve Association; *National Reserve Association and the Movement of Cotton in the South* (pp. 19), also by Professor Laughlin, in which consideration is given to the possible effects of the new proposed plan upon Southern business, with practical illustrations showing its possible influence on discount rates, enlarged credit and mobilization of reserves; *Banking and Currency Reform*, by Secretary MacVeagh; and *Banking Reform as Seen by Commercial Interests*, by A. C. Bartlett.

The National Citizens' League has also begun the publication of a

semi-monthly periodical, "Bank Reform," the first issue of which appeared January 17, 1912. Announcement is made of the early publication of a textbook on *Banking Reform*, written by "experts on finance" under the supervision of Professor Laughlin. This, however, will not be for sale, but distributed to members of the league.

The National Monetary Commission has issued a brief study, *Bank Loans and Stock Exchange Speculation*, by Professor J. H. Hollander (61 Cong., 2 Sess., Sen. Doc., No. 589, 1911, pp. 27). The banking system needs reform whereby temporary idle banking capital may be advantageously used in commercial paper, as guaranteed bills of short maturity. If such reform were made "there would surely follow through the diversion of periodically accumulating banking funds into this more healthful channel a marked arrest of the wild course of American speculation."

Other volumes issued by the National Monetary Commission are *History of the Bank of England and its Financial Service to the State* (second edition), by Professor Eugene von Philippovich; translated by Christabel Meredith, with an introduction by Professor Foxwell (61 Cong., 2 Sess., Sen. Doc., No. 591, 1911, pp. 297); and the *German Great Banks and their Concentration with the Economic Development of Germany* (third edition), by Dr. J. Reisser; translated by Morris Jacobson (61 Cong., 2 Sess., Sen. Doc., No. 593, pp. xvi, 1042).

It is announced that the paper-covered documents issued by the National Monetary Commission (now numbering over 40) are to be published in 24 cloth-bound volumes. They will be sold in sets at \$45.

Further explanation of changes made in the index number of "The Economist" may be found in the issue of November 18, 1911 (page 1034). This contains the history of the index number published in the issue of August 26. The number of articles has been raised from 22 to 44; 2 quotations are now given for coal and 3 for iron products. Quotations are also added for barley, oats, potatoes, rice and bacon, Egyptian cotton, jute, petroleum, oil seeds, rubber, and soda crystals. It is noted that the results obtained by the new method do not greatly differ from the old. The basis of comparison has also been altered, the base now being for the years 1900-1904.

The French Ministry of Labor has recently issued a report on *Salaires et coût de l'existence à diverses époques jusqu'en 1910* (Paris, 1911). This contains statistics of wages obtained from Con-



seils de Prud'hommes and records of public contracts. Index numbers, showing the course of daily wages between 1896 and 1911 are constructed. The report also contains returns on rents, prices, and cost of living. The data in regard to rents in Paris cover a period of 67 years. The variation in the cost of living in Paris between 1890 and 1910 is calculated as follows:

1890.....	103	1907.....	100
1900.....	100	1908.....	103
1906.....	99	1910.....	104

### Public Finance

**CONSTITUTIONALITY OF WISCONSIN INCOME TAX AFFIRMED.** The constitutionality of the Wisconsin income tax, which was briefly described in the last number of the REVIEW (p. 906), has recently been affirmed by the supreme court of Wisconsin in the cases of *State of Wisconsin ex rel. Harry W. Bolens v. James A. Frear, Secretary of State et al.*, and *Arthur Winding et al. v. James A. Frear et al.*

Considerably more than half of the opinion upon these cases is occupied by a discussion of the original jurisdiction of the supreme court of Wisconsin, a subject which need not be reviewed here. With respect to the essential constitutional questions raised by the income tax itself, the court decided only those major contentions "which might from some point of view be considered as going to the validity of the whole act." In the following statement of the affirmative action of the court it should be remembered that the law rests upon a constitutional enactment which provides that: "The rule of taxation shall be uniform and taxes shall be levied upon such property as the legislature shall prescribe. Taxes may also be imposed on incomes, privileges and occupations, which taxes may be graduated and progressive, and reasonable exemptions may be provided."

(1) Probably the most fundamental criticism of the law was based upon the contention that its progressive features were unreasonably discriminative and that it led to double taxation; both of which—it was asserted—denied to citizens "the equal protection of the laws" and hence violated the fourteenth amendment to the federal constitution. These arguments the court held to be unsound, not "even to be very persuasive." Double taxation, at least that kind of double taxation which arises from the contemporaneous operation of income and property taxes, is specifically authorized by the Wisconsin constitution and, as appears from the decision in *M. C. R. R. Co. vs. Powers*, 201 U. S. 245, is not repugnant to the federal constitution.

"With regard to the progressive feature, it is aptly said under *Knowlton vs. Moore*, 178 U. S. 41, on page 109, by the present chief justice, that: 'taxes imposed with reference to the ability of the person upon whom the burden is placed to bear the same have been levied from the foundation of the government. So also, some authoritative thinkers and a number of economic writers contend that a progressive tax is more just and equal than a proportional one. In the absence of constitutional limitation, the question, whether it is or is not, is legislative, not judicial.' "

(2) Assessors of incomes under the Wisconsin law are appointed by and remain under the complete control of the state tax commission. One of the contentions upon which the opponents of the tax laid great stress was the claim that "the law violates the constitutional guarantees of local self-government, by placing the power of appointment of the various assessors of incomes in the state tax commission." The court's answer to this claim apparently furnishes conclusive evidence that the Wisconsin courts will not unnecessarily stand in the way of reasonable measures looking to the correction of the excessive decentralization of our taxing machinery.

(3) The court next, considering a number of questions raised by the exemption features of the income tax law, held that (a) the personal exemptions were not only essentially reasonable, but that (b) the denial of such exemptions to copartnerships, (c) the exemption of life insurance up to ten thousand dollars in favor of one legally dependent upon the deceased, (d) the assessment to the husband of the incomes of wife and children under eighteen years of age (when not living separately) and (e) the inclusion within taxable income of the estimated rental of residence property occupied by the owner, were all well within the legislative discretion. The particularly novel feature of the Wisconsin law, which allows a taxpayer to credit any personal tax which he may have paid against his income tax for that year, was also specifically sanctioned. "Why," the critics asked, "may taxes upon personalty be used to offset income tax when taxes upon real estate are denied the same privilege?"

"There is said to be no just ground for this distinction, but it seems quite clear to us that there is; in fact it seems to be rather a means of equalizing the burden of the new form of taxation than to be really an exemption. It was evidently done with the idea of accomplishing, without too violent a shock to taxing machinery, the substantial elimination of personal property taxation and the substitution thereof of "ability" taxation. The practical result is that both the taxpayer who has taxable personal property and the taxpayer who has none, pay taxes according to their ability as evidenced by their income."

(4) The Wisconsin law, it will be remembered, provides a separate tariff of rates for corporations, in which the rate of taxation is based upon the relation of the net income of the corporation to the assessed value of the property from which such income is derived. This discriminative treatment was upheld by the court on the familiar grounds that the "privileges which are exclusively held by corporations, and the real difference between the situation of a corporation and an individual, among which may be mentioned the fact that a corporation never is obliged to pay an inheritance tax, plainly justify a difference of treatment in the levying of the income tax."

T. S. ADAMS.

*University of Wisconsin.*

Under date of January 17, 1912, President Taft sent a message to Congress on *Economy and Efficiency in the Government Service* (pp. 28). With the message is submitted a report of the Commission on Economy and Efficiency, showing the organization of the government as it existed July 1, 1911. The President summarizes the work already performed by the commission, and asks for an additional appropriation of \$200,000, in order that its inquiry may be effectively completed. Illustrations are cited showing waste and unnecessary cost, and although many of the individual losses thus accruing are small, in the aggregate they amount to a considerable sum. Certain offices should be abolished and others classified. The cost of handling incoming mail varies in the different departments from \$5.84 to \$84.40 per thousand. There is need of labor-saving devices; copy work is carried on by expensive methods; there is waste in the distribution of public documents; unnecessary cost of insurance; and excessive cost of travel by government employees. Special emphasis is laid upon the need of reclassification of accounts in order that a more intelligible budget may be framed.

The *Report of the Attorney General of the United States for 1911* (pp. 54-59) contains a memorandum on the corporation tax cases, with a syllabus of the contention of the government.

In this same report an analysis is made to determine whether Congress acted wisely in establishing a separate office with complete charge of customs litigation from inception to termination. It appears that between 1904 to 1909 the percentage of such cases won by the United States was 44.8; while in 1911 it was 60.1. Little

progress has been made in bringing up to date cases before the Board of General Appraisers (pp. 70, 384).

*The Annual Report of the Comptroller of the State of New York* (Albany, 1912, pp. xliii, 198, 73) devotes considerable attention to the inheritance tax law, the tax for recording mortgages, and the new "secured debts" tax.

*The Transfer Tax Law of New York*, with amendments of 1911, has been reprinted by the Guaranty Trust Company of New York (pp. 45). The editor expresses the belief that the owners of property affected by the New York inheritance tax law are to be congratulated upon the passage of "so equitable a measure."

*The Inheritance Tax Laws of California in Effect July 1, 1911*, prepared by the controller of the state (Sacramento, 1911, pp. 25) prefaces the law with brief explanatory notes. Under the revision of 1911 exemptions in favor of heirs in direct line are more liberal. Of importance are changes in the appraisements of estates in order to secure the tax.

The Tax Commission of Kansas has issued a compilation of *Laws Relating to Assessment and Taxation in Kansas, August, 1911*. (Topeka, pp. 130). This includes the amendments of 1911.

The laws of Connecticut concerning local and state revenues enacted at the session of 1911 have been printed in separate pamphlets by the State Tax Commission (Hartford, pp. 16, 12).

The Secretary of the State of Michigan has recently reprinted *Laws Relating to Mortgage, Tax and Chattel Loans* (Lansing, 1911, pp. 14); and the Attorney General has also issued a pamphlet explaining the new mortgage tax law enacted in April, 1911. Under this act a recording tax may be substituted for an ad valorem tax on mortgages.

Mr. Allen R. Foote has issued in pamphlet form his address on *Taxation of Railroads in the United States*, delivered at the Fifth Annual Conference on State and Local Taxation September, 1911 (Columbus National Tax Association, pp. 51). Mr. Foote proposes a flat-rate tax on gross operating revenue, plus a differential on the margin of difference between operating revenue and operating expenses as a substitute for all other forms. A broadside contains a statistical compilation showing the estimated tax which would be levied according to his plan upon leading railroad systems.

The Bureau of Municipal Research of Philadelphia has prepared, under date of December 1, 1911, what may be regarded as a model of a guide for *Budget Estimates, 1912* (pp. 162). With this is to be noted the statement of the city comptroller (Philadelphia, August 1, 1911, pp. 29). This Bureau has also issued a leaflet, *Suggested Financial Program for Philadelphia* (December 9, 1911, pp. 8).

The Chamber of Commerce of Philadelphia in December, 1911, began the publication of a monthly "Journal." In the December issue is an article on the "City's New Accounting System."

There has recently been established in France, La Ligue des Libre-Echange (108 Boulevard St. -Germain, Paris) under the presidency of M. Yves Guyot. Information in regard to its objects may be obtained of M. Daniel Bellet, secretary.

The long expected report of the Tariff Board on schedule K was ushered in by a *Message* from President Taft, December 20, 1911 (pp. 8), and a *Synopsis of the Report* (62 Cong., 2 Sess., Sen. Doc., No. 210, pp. 19). The complete report has been issued in four volumes (pp. 1022, as House Doc., No. 342, 62 Cong., 2 Sess.) under the title *Wool and Manufactures of Wool*. Vol. I contains the "Message of the President, Summary and Glossary"; Vol. II, "Raw Wool, Production and Shrinkage"; Vol. III, "Manufacturing Costs; Tops, Yarns and Cloth; Ready-made Clothing"; Vol. IV, "Wages and Efficiency of Labor and Machinery in the United States."

### Insurance

The Workmen's Compensation Service and Information Bureau (1 Liberty Street, New York) has published *The Practical Results of Workingmen's Insurance in Germany* (1911, pp. 62). This is a translation of Dr. Ferdinand Friedensburg's *Die Praxis der deutschen Arbeiter-Versicherung*, which first appeared in the "Zeitschrift für Politik" (IV, 2-3, 1911). The translation is made by Dr. Lewis H. Gray. The author, Dr. Friedensburg, who has just retired from the presidency of the Senate of the Imperial Insurance Office, dwells upon the abuses of German state insurance. According to his statements it is difficult to secure honest adjudication of claims; there has been an extraordinary amount of litigation, and the administration tends to create pauperism and increase the cost of production.

Among recent publications of interest to students of insurance are

*Proceedings of the National Convention of Insurance Commissioners of the United States*, August 22-25, 1911, (Secretary Harry E. Cunningham, Helena, Montana, 1911, 2 volumes, pp. 205; 549). The second volume contains the report of an investigation of certain companies doing an industrial health and accident business.

### Charities

While a member of the State Board of Charities of New York, Professor Frank A. Fetter prepared a *Summary and Analysis of Statistics of Charities Reporting to the State Board of Charities* (Albany, 1911, pp. iv, 107). Attention is directed to the mass of statistical material collected by the Board, a large part of which has not yet been used, owing to lack of clerical force. Unfortunately since 1900 the power of the state board has been limited to collecting statistics only from societies and institutions which are in receipt of money raised by taxation; the consequence is that no tabulation can be complete. Other technical difficulties in handling the statistics, due to changes in clerical and administered control, are noted. The tables are worked out in great detail.

Bulletin No. 57 of the National Conference of Charities and Correction (Angola, Indiana) contains a five-year supplement to the *Cumulative Index*, published in 1906, indexing the volumes from 1907 to 1911 inclusive.

The British Royal Commission on the Poor Laws and Relief of Distress has added to its long list of reports a volume on *Statistics relating to England and Wales*. (Appendix, vol. xxv, Cd. 5077, pp. 902, 11s. 1d.) Besides the statistics of pauperism there is a discussion by Professor Smart on the growth of expenditures for relief, and reports on insurance against sickness and unemployment by Messrs. T. G. Ackland, George King and F. G. P. Neison.

### Industrial Education

The United States Bureau of Education has published as a reprint a chapter of the report of the Commissioner of Education for 1910, entitled *Industrial Education in the United States*. In the appendix there is a list of schools which offer training for specific vocations.

The subject of industrial education has once more been comprehensively surveyed in the Canadian report, *Education for Industrial Purposes* (Toronto, Superintendent of Education for Ontario, 1910,

pp. 400). For this purpose the experience of Great Britain, France, Germany, Switzerland and the United States were studied by members of a special commission. Among the topics discussed is the "Attitude of Employers and Workmen."

The *Report of the Committee on Industrial Education of Maine* (Augusta, State Superintendent of Public Schools, 1910, pp. 72) contains an historical digest of the position of industrial education in European countries as well as in America. There is a synopsis of typical state laws and a discussion of the needs of the industries. Appended is a bibliography of 2 pages, and a chart showing the difference in wages earned by boys having shop training only and those having technical high school training, prepared by George E. Fellows.

In this connection may also be mentioned the *Report of the Imperial Education Conference, 1911*, containing papers on trade and continuation schools (Cd. 5666, London, Wyman & Sons, pp. 267, 1s.)

The subject of industrial education has again been investigated and reported upon through a state inquiry in the *Report of the Michigan State Commission on Industrial and Agricultural Education* (Lansing, December, 1910, pp. 95).

The Vocation Bureau of Boston has issued two bulletins on *Vocations for Boston Boys* (6 Beacon Street, Boston, 1911, 10 cents each), dealing with *The Machinist* and *Banking*. The purpose of these pamphlets is to supply teachers with information for advising boys and parents in regard to business needs. The bulletins are based on visits to firms or shops, and have been scrutinized by at least three employers, an economist and an official of a labor union.

Library Bulletin No. 2, published by the New York School of Philanthropy (105 East 22d Street, New York, November, 1911, pp. 4) provides a list of references on *Vocational Guidance*. The entries refer to publications issued since 1908, and do not include titles indexed in the *Reader's Guide to Periodical Literature*.

### Demography

In the *Fortieth Annual Report of Births, Marriages and Deaths in the Province of Ontario, 1909* (Toronto, 1911, pp. 48, cclxxi), the editor notes that the French and German settlers contribute more largely to the birth-rate than does any other class. In order to coun-

teract the increasing tendency toward small families, the grant of aid to needy mothers to provide for expenses at time of childbirth is recommended.

The *Fifty-Seventh Registration Report of Rhode Island* (Providence, 1911, pp. 296) shows a decrease in the absolute number of births in 1909, giving a rate of 24.3 per thousand as compared with 26 in 1908.

A decrease in the number of births is also shown for New Hampshire in the same year in the *Twenty-Second Registration Report* (Concord, pp. 354).

The address, *A Statistical Survey of Infant Mortality's Urgent Call for Action*, by Mr. Edward Bunnell Phelps, delivered at the First Annual Meeting of the American Association for Study and Prevention of Infant Mortality, has been issued as a reprint from the *Transactions* of the Association (141 Broadway, New York, 1911, pp. 27). Considerable space is given to methods of determining by approximation, in the absence of accounts returned, the rate of infant mortality in the United States.

Under date of July 1, 1911 the Bureau of the Census published a check list of publications of the tenth, eleventh and twelfth censuses and also of the permanent census bureau.

After considerable delay the Office du Travail of France has published the report on statistics of occupations, derived from the census of 1906, in a volume entitled *Résultats Statistiques du Recensement Général de la Population effectué le 4 mars 1906* (Vol. I, Pt. 2, 1911). A statistical increase in the number engaged in agriculture has been accomplished by classifying farmers' wives, hitherto returned as unoccupied, in the column of agricultural labor.



## PERIODICALS

The REVIEW is indebted to Robert F. Foerster for abstracts of articles in Italian periodicals, and to R. S. Saby for abstracts of articles in Danish and Swedish periodicals.

### Theory

(Abstracts by W. M. Adriance)

ALLIX, E. *Le physicisme des physiocrates*. Rev. d'Econ. Polit., Sept.-Oct., 1911. Pp. 23.

This article interprets the doctrines of the physiocrats as a transition philosophy founded on the ideas of "natural order" of Descartes and Malebranche, and paving the way for the "sensualisme utilitariste" exemplified by J. B. Say and his disciples.

BONAR, J. *The economics of John Stuart Mill*. Journ. Pol. Econ., Nov., 1911. Pp. 8.

This article, suggested by the publication of *Mill's Letters* and Ashley's edition of his *Political Economy*, is an unpretentious but readable survey of some of Mill's economic views in the light of modern opinion.

BRODA, E. *Die Lösungen des Zurechnungsproblems*. Zeitschr. f. Volkswirtsch., Vol. XX, Nos. 3, 4, 1911. Pp. 48.

A detailed and difficult discussion of the problem of imputation in the case of complementary agents of production. The writer differs from Weiser and Schumpeter, and agrees with Böhm-Bawerk in his conception of the manner in which the principle of substitution applies in such cases. Paper originally presented before the economic seminary at Vienna.

GUYOT, Y. *La production de l'or et les prix*. Journ. des Econ., Nov., 1911.

An attack on the quantity theory of money based on a comparison of the statistics of gold production with price statistics.

HOLLANDER, J. H. *The letters of John Stuart Mill*. Pol. Sci. Quart., Vol. XXVI, No. 4, 1911. Pp. 9.

Professor Hollander designates the editor of the *Letters* as "the source from which a future definite biography (of Mill) may be expected."

MANCHESTER, O. L. *A high school course in economics*. Journ. Pol. Econ., Nov., 1911. Pp. 9.

The writer's optimism is indicated by his expectation that one fourth of the high school curriculum may be given over to social studies. To the college teacher who is aware of the shallowness of a considerable part of actual high school work in economics, and has struggled with the limitations of the somewhat more mature college student, the plan outlined may appear so comprehensive as to be visionary.

MAUNIER, R. *Un économiste oublié: Peuchet, 1758-1830*. Rev. d'Hist. des Doct. Econ., No. 3, 1911. Pp. 16.

Peuchet shows the equal vogue of physiocratic and Smithian doctrine at the very beginning of the nineteenth century, before the dominance of the latter becomes apparent with Sismondi and J. B. Say.

MILLER, H. A. *A bugbear of economics*. Pop. Sci. Mo., Dec., 1911. Pp. 7.

A philippic directed against the law of diminishing returns. Though formally correct, it is inapplicable or meaningless under present-day conditions. Malthus's law of population also comes in for its share of reprobation. The article is apparently inspired by some of Professor Patten's views in his *New Basis of Civilization and Social Basis of Religion*.

MORISON, H. A. *John Ruskin, social reformer*. Scottish Bankers' Mag., Oct., 1911. Pp. 10.

An appreciation of Ruskin as a social reformer involves, of course, an outline of his ideas in the field of economic theory. As reviewed in this article his views appear far less heretical than they appeared to his contemporaries. The truth is that economic orthodoxy itself has shifted in the direction of conformity with his views.

NAUMANN, M. *Grundrententheorie und Wertlehre*. Zeitschr. f. Socialw., Vol. II, No. 11, 1911. Pp. 12.

A vigorous reply to the criticism of Oswalt in the February number of the "Zeitschrift." (Cf. abstract p. 919, AM. ECON. REV., Dec., 1911.) Naumann brings Ricardian theory into accord with modern value theory, holding, apparently, that rent both is and is not a differential. He considers Oswalt's views (rather than his own) to be at variance with the eternal verities of value, price, and supply and demand.

PHELPS, L. R. *The future of interest*. Econ. Rev., Oct., 1911. Pp. 8.

An article written from the standpoint of the English investor (lender). It forecasts a future lowering in the rate of interest due to the accumulation of capital in countries which now borrow of England.

PIROU, G. *La théorie de la valeur et des prix chez W. Petty et chez R. Cantillon*. Rev. d'Hist. des Doct. Econ., No. 3, 1911. Pp. 12.

The important part of this article is the part dealing with Cantillon. The author detects in his writings a duplex value theory, with foreshadowings of subjective value doctrines on the one hand, and of labor-value and cost-of-production ideas on the other. Later, with Adam Smith and Condillac, the two streams of thought diverge, to be reunited in our own day by the partial fusion of the mathematical and Austrian schools.

SCHELLE, G. *Sur les physiocrates.—A propos d'un livre récent*. Journ. des Econ., Aug., 1911. Pp. 12.

A review of the recent work of Georges Weulersse, in which the writer sets forth his own opinions on many points of the history and doctrines of the physiocrats.

VOIGT, A. *Klassische und moderne Nationalökonomie*. Zeitschr. f. Socialw., Aug., 1911. Pp. 6.

A defense of the classical economists as the men who laid the necessary foundations of economic science. The neglect of the classicists by the historico-ethical school is both unhistorical and unethical. They are denying their own parentage.

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*La concezione sociologica del progresso*. Riv. Italiana di Soc., Sept.-Oct., 1911.

This entire number is given over to a discussion of the nature and aspects of progress. The twenty contributors include such persons as Sergi, Benini, Loria, Coletti, Morselli, Niceforo, Gini, Salviolo and Graziani.

### Economic History, Foreign

(Abstracts by Clive Day)

D'AJANO, R. B. *Sulle corporazioni medioevali delle arti in Italia e loro statuti*. Riv. Internazionale, Oct., 1911.

The regulations of Italian artisans' associations in the fourteenth century, classified after the Schönberg model.

ALIVIA, G. *Di un indice che misura l'impiego monetario dell'oro relativamente a quello dell'argento e le sue variazioni dal 1520 ad oggi*. Giorn. d. Econ., Apr., 1911.

An attempt to derive a general formula explaining the relation of the precious metals from the discovery of America to the present.

BACHI, R. *L'Italia economica nel 1910*. Rif. Soc. (Supplement, pp. 222), June, 1911.

The author's second annual survey of economic affairs in Italy. Chapters—largely statistical—on the economic situation touch foreign commerce, banking, financial markets, commodity prices, agricultural production, production of mines and manufactures, railroads and ports, the labor market, provident institutions, national finance. Chapters follow on the activity of the state and of individuals regarding a number of these matters, and on such other matters as housing, co-operation, municipal enterprise, social insurance, trade unions and other associations. An appendix is a bibliography of the year's economic and social literature.

BOEZI, G. *Il capo d'anno in Cina e la seconda crisi bancaria*. Giorn. d. Econ., May, 1911.

Comment upon the financial developments of China during last year.

BONOLIS, G. *Sul commercio delle città Adriatiche nel medio evo*. Riv. Internazionale, June-July, 1911.

After the collapse of the Roman empire, a revival of Mediterranean commerce set in at Venice, Ancona, Bari and other Italian cities and on the Dalmatian coast. For his description of this development the author has drawn freely from Schaube, Heyd, Romania and other Italian cities and on the Dalmatian coast.

BORGATTA, G. *Una coöperativa modello: il panificio coöperativo di Bricherasio*. Rif. Soc., June, 1911.

The successful twenty-three years' history of a coöperative bakery which has enjoyed no special favors or exemptions.

CAVAIGNAC, E. *Les classes soloniennes et la répartition de la richesse à Athènes*. Vierteljahrsch. f. Soc. u. Wirtschaftsgesch., Vol. IX, No. 1, 1911.

The author concludes that in Athens the rich tended to grow richer, the poor poorer; and believes that the democracy itself furthered the growth of large fortunes.

DIFEREE, H. C. *Die ökonomischen Verwicklungen zwischen England und den Niederlanden im 17. Jahrhundert*. Vierteljahrsch. f. Soc. u. Wirtschaftsgesch., Vol. IX, No. 1, 1911.

An interesting study of an important chapter in the history of commerce, written by a Dutch historian.

EINAUDI, L. *A proposito della Tripolitania*. Rif. Soc., Oct.-Nov., 1911.

Italy has little to gain, economically, from Tripoli.

GABRIEL, G. *Les principales étapes de la centralisation économique en Suisse depuis 1848*. Rev. d'Econ. Polit., Sept.-Oct., 1911.

Extract from a forthcoming book.

GRUNBERG, K. *Franz Anton von Blanc. Ein Sozialpolitiker der Theresianisch-josephinischen Zeit*. Jahrb. f. Gesetzgebung (Schmoller), Vol. XXXV, No. 3, 1911.

HEALY, P. J. *The economic aspects of monasticism*. Catholic Univ. Bull., Apr., 1911.

A protest against the significance ascribed to monasticism by Kautzky and other socialists. "It was not an expression of the dissatisfaction of the proletariat with their economic surroundings, nor was it in any sense of the word a communistic effort to apply the teachings of the gospel to social relations.

LEONHARD, R. *Spanische Agrarpolitiker des 17. Jahrhunderts*. Jahrb. f. Gesetzgebung (Schmoller), Vol. XXXV, No. 2, 1911.

Views of contemporaries on the causes of Spain's decline, as illustrated by the writings of Guzman, Deza, and Caja de Leruela.

ONCKEN, H. *Der Nationalverein und die Anfänge der deutschen Arbeiterbewegung 1862-63*. Archiv d. Geschichte Sozial., Vol. II, No. 1, 1911.

PICARD, R. *La théorie de la lutte des classes à la veille de la révolution française*. Rev. d'Econ. Polit., Sept.-Oct., 1911.

Extracts from social philosophers and popular pamphlets, showing the recognition of a rise of class feeling in the proletariat.

RUBIN, M. *Aforismer*. Nat. ök. Tids., July-Aug., 1911.

A criticism of Gustav Sundbärgs *Aforismer* (Stockholm, 1911) wherein the author is said to take a narrow national point of view, pointing out Denmark as a dangerous economic rival of Sweden largely because of a difference in national psychology.

SCHELLE, G. *Un épisode de la vie de Turgot*. Journ. des Econ., July, 1911.

A detailed account, from the archives of the Académie des Inscriptions et Belles-Lettres, of Turgot's admission to that body.

STEINITZ, B. *Die Organization und Gruppierung der Krongüter unter Karl dem Grossen*. Vierteljahr. f. Soc. u. Wirtschaftsgesch., Vol. IX, No. 3, 1911.

A substantial contribution to the early history of administration. To be continued.

VACCA-MAGGIOLINI, U. *Il Molise nella questione meridionale*. Rif. Soc., July-Sept., 1911.

Recent popular outbreaks in Molise are the occasion for this study of the economic situation in that part of Italy.

WALLICH, P. *Beiträge zur Geschichte des Zinsfußes von 1800 bis zur Gegenwart*. Jahrb. f. Nat. Oek., July, 1911.

A useful summary of the course of the rate of interest in leading countries as shown by the public debt and mortgage loans.

### Economic History, United States

(Abstracts by E. L. Bogart)

DUBOIS, W. E. B. *The economics of negro emancipation in the United States*. Sociol. Rev., Oct., 1911. Pp. 10.

"The main question of emancipation is, of course, not legal, but economic," writes the author, and in these pages he describes the efforts of the negroes to secure economic independence. The struggle on their part has, he asserts, constantly been opposed by the white men of the South. These have sought by means of peonage, by the crop lien, by ingenious labor laws and by disfranchisement, to exploit the negro, to deprive him of political power, and to prevent his economic emancipation. However, the author sees some hope in the future due to the dogged determination of the negro himself, and to the attitude of the better class of Americans.

PAGE, T. W. *The causes of earlier European immigration to the United States*. Journ. Pol. Econ., Oct., 1911. Pp. 17.

A suggestive paper, giving first the repellant causes that led foreigners, especially the English, Irish, Germans and Scandinavians, to leave their homes; the most important of these was dissatisfaction with economic conditions, though religious and political motives played a small part. The attractions which the United States offered, on the other hand, were also mainly economic. Finally some of the obstacles to emigration are noted.

### Railways

(Abstracts by Ernest R. Dewsnap)

ACWORTH, W. M. *The prospects of state ownership of railways in England and in the United States*. Ry. Age Gaz., Nov. 3, 1911. Pp. 4.

Believes that the United States will approach nationalization, will

then react, and escape by some road not yet discernible. Competition in England is dead and no attempt has been made to substitute for it a well-thought-out system of state regulation. The ultimate outcome can hardly be other than nationalization.

ACWORTH, W. M. *The development of the railway regulating commission in England.* Ry. Age Gaz., Nov. 17, 1911. Pp. 1½.

Reference is made to the acts of 1845, 1854, 1873, 1888, and to the recent recommendations of the board of trade committee on railway agreements. Criticizes the privacy of proceedings taken under the conciliation clause of the 1888 act; public hearings would render the provision much more beneficial.

BIKLE, H. W. *Jurisdiction of certain cases arising under the interstate commerce act.* Univ. Pa. Law Rev., Oct., 1911.

Strict obedience to the provisions of duly filed tariffs is the imperative mandate of the Interstate Commerce Law, and no court can relieve the carrier, or by the same token the shipper, from their necessary and proper operation. Relief is obtainable only from the Interstate Commerce Commission and then only in those cases where the rate or regulation in question is, in the judgment of that tribunal, unreasonable.

BORN. *Die Entwicklung der Königlich Preussischen Ostbahn. II, III.* Archiv f. Eisenbahnw., Sept.-Oct., Nov.-Dec., 1911. Pp. 48, 31.

Two further instalments bring to a completion this exhaustive record. Part II contains interesting information concerning the early tariffs of the road and also some description of the early signaling practice.

CLEMENTS, J. C. *The interstate commerce law.* Sci. Am., June 17, 1911. Pp. 2.

A general review, by its chairman, of the development of the powers of the commission. Since the passing of the 1906 act, 3,135 complaints had been filed and 2,000 decisions (formal and informal) rendered. 239 criminal prosecutions had been instituted, and about three-quarters of a million dollars collected in fines. Reparation had been ordered in formal contested cases to an amount of over \$2,000,000, and, in addition, over \$1,000,000 had been allowed upon the application of carriers on stipulated facts and suitable inquiry.

COLSON, C. *Revue des questions de transports.* R. Pol. et Parl., May 10, 1911. Pp. 13.

Comparison of the financial results of railway working, for 1909, in France, England and Germany, and an analysis of those of the various French systems for 1910. There is noted a general increase in total receipts, accompanied by a decrease of operating expenses in England and Germany. The operating ratio of Germany still remains high, however,—70 per cent, as compared with the 63 per cent of England, and the 59 per cent of France. As regards France, poor harvests, floods, labor troubles, have retarded progress. Attention is drawn to the problem of financing new railway works in France in

view of the drawing near of the time of expiration of the concessions (1950-60).

CROOK, J. W. *The interstate commerce commission*. No. Am. Rev., Dec., 1911. Pp. 12.

A brief survey of the growth of rate-making powers of the commission, with particular reference to the laws of 1906 and 1910. In noting the decisions of the commission in the rate-advance cases (Feb., 1911) the writer says, "there can be but one opinion as to the enormous power the new law lodges in the commission."

DUNN, S. O. *Public regulation and railway safety*. Ry. Age Gaz., Oct. 20, 1911. Pp. 2.

A public policy of dealing penuriously with the carriers tends much more strongly to prevent the promotion of safety than the most unjustly criticized efforts of railway officers to pay railway dividends,—dividends which must be paid if they are to raise capital on reasonable terms.

DUNN, S. O. *The truth about railway accidents*. Ry. Age Gaz., Dec. 8, 1911. Pp. 6.

A refutation of the charges made by C. E. Russell in his article on "Speed" in the "Hampton-Columbia Magazine" for October. The unsatisfactory nature of the accident record of the railways of the United States is admitted but statistics are adduced to show that it is not nearly so bad as Mr. Russell represents. Reckless and foolhardy conduct of employees is a prime cause of the accidents. Reference is made to the physical condition and to the capitalization of American railways.

EDGEWORTH, F. Y. *Contributions to the theory of railway rates*. II. Econ. Journ., Dec., 1911. Pp. 21.

The conceptions of joint cost and increasing return are distinct, but cognate. Prime cost, joint cost, and decreasing cost may often be predicated of the same circumstances. Emphasis is laid upon the fact that the meaning of these conceptions is affected by the magnitude of the doses employed and by other circumstances.

FELTON, S. M. *Scientific development of American railways*. Ry. Age Gaz., Sept. 29, 1911. Pp. 4.

Summary of a paper illustrating, by diagrams and statistics, the development of American railway equipment during the past half-century, also the movement of traffic receipts and costs.

FRITCH, I. C. *Opportunities for economy on railways*. Ry. Age Gaz., Nov. 24, 1911. Pp. 2½.

The first of a series of papers by the chief engineer of the Chicago Great Western Railway. Locomotive fuel, in 1910, cost \$214,000,000, but more careful supervision and greater use of fuel-saving devices ought to reduce this cost by \$50,000,000.

LACOUR-GAYET, J. *Les chemins de fer de Tunisie*. R. des D. Mondes, May 15, 1911. Pp. 21.

A popular article, in which is recounted the development of the Tunisian railways, with notes upon the financial results, railway labor conditions, and the compositions of the clientele of the railways.

LINDSAY, F. *The prospective Panama canal*. Lippincott's, Jan. 1912. Pp. 3.

Approves of the proposals embodied in the Canal Bill now before Congress (future organization, establishment of toll rate and method of tonnage measurement, exclusion of non-employees from residence in the canal zone). By physical improvements and by reductions in its charges, the Suez Canal is already preparing for the struggle for traffic, and hence it will be necessary to secure an economical administration of the new canal, if it is to be, as it is important that it should be, a commercial success.

LEROY-BEAULIEU, P. *L'Île ivre: le réseau ferré de l'Etat*. *L'Econ. Franç.* Dec. 2, 1911. Pp. 2.

A scathing denunciation of the incapacity of the French government in the management of the state railway system. Since 1908 (the last year of private operation), the net receipts of the Western system have steadily decreased from 71 million francs to 29, though gross receipts have increased from 218 to 233 million francs. Yet in spite of the large increase of expenses, the service provided is condemned as inferior to that formerly given.

LEVASSEUR, E. *Quelques conséquences du progrès des moyens de communication*. *Rev. Sci. Pol.*, Sept.-Oct., 1911. Pp. 14½.

One of the last writings, perhaps the last, of the distinguished French economist. The study is an interesting catalogue of the advantages, economic and social, that have resulted from the changes in means of transportation.

NEW, J. S. *The liability of the initial carrier under the interstate commerce act*. *Central Law Journ.*, July 7, 1911.

RIPLEY, W. Z. *Foreign capital in American railways*. *Ry. Age Gaz.*, Nov. 3, 1911. Pp. 2.

After referring to the effect of the panics of 1903 and 1907 in increasing the number of holders of railway securities, the writer considers the marked reduction of foreign investment in American railways from 1890-1896 to 1905. Of late, however, there has been a successful attempt to place railway securities in Europe, particularly in France.

RIPLEY, W. Z. *Railway share capital*. *Ry. Age Gaz.*, Nov. 24, 1911. Pp. 2¼.

The proposal to abolish the par value of share capital is vicious in the extreme as applied to public service companies: it releases the promoter from any positive liability for overcapitalization; the equivalence of assets and capitalization, which ought to obtain in the case of any company holding valuable rights from the public, becomes non-existent, and all standards, by which reasonableness of the general scale of charges may be measured, disappear. The influences favoring the creation of preferred stock are discussed.



RIPLEY, W. Z. *Railway capital: bonds vs. stocks.* Ry. Age Gaz., Dec. 1, 1911. Pp. 2¼.

Traces the growth of the use of bonds in railway financing since 1855. The main reason for the recent relative expansion of bond issues is their intimate relation to the consolidation of once independent properties into great systems. Lately, there seems to be a tendency towards a greater use of capital stock, as exemplified by the issues of the Pennsylvania, New York Central, Chicago & North Western, etc., in 1909.

STEGEMANN, F. *Die Vereinheitlichung der deutschen Eisenbahnen.* Deutsche Rev., Mar., 1911. Pp. 13.

Favors a closer union of German railway managements, which should not interfere with sovereign rights or with independence of the various states in matters of finance and local management.

TAYLOR, C. E. *The express service.* Ry. Age Gaz., Sept. 29, 1911. Pp. 1½.

By the general superintendent of the United States Express Company. Urges that express rates are reasonable. The profits of the express companies are made on the long haul traffic.

TAYLOR, W. D. *Pioneer railway development in the United States (with discussion by letter).* Pro. Am. Soc. of Civ. Engrs., Aug.-Oct., 1911. Pp. 62.

An historical sketch of the extension of the railways of the United States from the Atlantic to the Pacific coast. In one of the appended letters discussing the paper, extracts are given from a manual entitled "Facts and Figures of the Alton and Sangamon Railroad . . ." (prepared by J. I. Shipman, chief engineer of that road, and published in 1852), which includes an interesting estimate of the cost of railway building at that date.

TECKLENBURG, K. *Der Betriebskoeffizient der Eisenbahnen und seine Abhängigkeit von der Wirtschaftskonjunktur. I. II.* Archiv. f. Eisenbahnw., Sept.-Oct., Nov.-Dec., 1911. Pp. 13, 50.

An interesting attempt to discuss systematically the relation of the railway operating ratio to economic conditions, with Prussia, Baden, Bavaria, Saxony, and Wurtemberg as the text. A useful and comprehensive series of statistical tables and charts is appended.

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Increases in fares on western interurban lines. Editorial. Elec. Ry. Journ., Dec. 16, 1911. Pp. 1.

Low fares on interurban electric railways (as compared with those on steam railways) practicable only under certain favorable conditions.

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Increases in western interurban fares. Elec. Ry. Journ., Dec. 16, 1911. Pp. 5½.

Statistics of two small interurban lines of Wisconsin are given, apparently to show that very low fares are impracticable on such lines, with light traffic, and that the loss of traffic caused by a substantial increase of fares is not sufficient to prevent a large increase in gross and net revenue. A less pronounced advance of fares was made

on an Illinois line, but resulted in a diminution of gross revenue (and probably of net, though this is not stated).

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*The long and short haul injunction (A. T. & S. F. Ry. Co. vs. U. S. A. Commerce Court—opinion by Judge Mack).* Ry. Age Gaz., Nov. 17, 1911. Pp. 3.

To sustain the constitutionality of the long and short haul clause, it must be read as imposing the duty on the commission not only to grant exemption from the hard and fast rule when thereby no section of the act is violated, but also to grant such exemption to the extent that no section of the act is thereby violated. In other words, the carrier is entitled, under the act, to be granted authority to charge as much less as it please for the long haul than for the short haul, provided the commission shall first determine that it does not thereby violate any other provision of the law. In a separate opinion, Judge Archibald, while concurring, indicates his opinion that the long and short haul clause is not valid.

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*The parcels post.* Editorial. Ry. Age Gaz., Nov. 3, 1911. Pp. 2.

A flat-rate system of parcels post could be operated only at a heavy loss to government. Its advantages would attach mainly to the mail-order houses and their customers: the country store and, hence, the country town, would be hurt. The cost of handling the mails in a proper manner would be increased.

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*Railway capitalization.* Elec. Ry. Journ., Nov. 11, 1911. Pp. 1½.

Abstract of the report of the committee on railway capitalization, presented at the annual meeting (Oct. 13, 1911) of the National Association of Railway Commissioners. The proper regulation of railway capitalization avoids the determining of the propriety of proposed improvements or betterments or of the extension of lines by new construction and so forth, but it must necessarily prevent the capitalization of replacements and any other part of operating expenses or of any portion of the interest charge. The practice of issuing bonds for practically all betterments and improvements is deprecated. Such expenditures should be paid largely out of revenue. The commissioners are not necessarily opposed to federal regulation of railway capitalization.

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*Texas commercial secretaries on the Texas railway situation.* Ry. Age Gaz., Nov. 17, 1911. Pp. 2.

An extract from resolutions recently adopted by the Commercial Secretaries and Business Men's Association of Texas, at its meeting at Dallas, in which it is charged that the valuation of 1894 and 1895, made under the stock and bond law, has seriously crippled railway finance in the state, with the result that the owners of the existing system lines have practically discontinued railway construction and are limiting all betterments to the minimum.

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*Statistics of various railways.* Archiv f. Eisenbahnw., Sept.-Oct., 1911.

Hungary (1909), Italy (1909-10), Switzerland (1909), United States of America (1907-08, 1908-09).

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*Statistics of various railways.* Archiv f. Eisenbahnw., Nov.-Dec., 1911.

Algeria-Tunis (1907), Belgium (1908, 1909), Canada (1908-09, 1909-10), Chili (1909), France (1909—also railway accidents 1907, 1908), Holland (1909), Norway (1909-10), Rumania (1909-10), Russia (1908).

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*Die Eisenbahnen Deutschlands, Englands und Frankreichs in den Jahren 1905-1907.* Archiv f. Eisenbahnw., Nov.-Dec., 1911.

Mileage, equipment, traffic and financial statistics of the countries named, arranged in tabular form for convenient comparison.

### Public Utilities

(Abstracts by A. N. Holcombe)

COOLEY, M. E. *Overhead charges.* Elec. Ry. Journ., Oct. 14, 1911.

A discussion of the elements of value of a non-physical nature, which are properly included in the appraisal of a public utility property.

FAIRLIE, J. A. *Public regulation of water power in the United States and Europe.* Mich. Law Rev., Apr., 1911.

FOWLE, F. F. *Discrimination in central-station rates. Comparative effects of limited and rigid regulation policies.* Engg. Mag., June, 1911.

FOWLE, F. F. *Going value of public utilities.* Elec. Ry. Journ., Nov. 25, 1911.

A discussion of the various methods advanced for the determination of this element of value of the property of public service corporations.

HAGENAH, W. G. *Appraisal of the Chicago Telephone Company and determination of fair rates of charge. I.* Engg. & Con., Sept., 13, 1911.

Explanation and defense of the methods of valuation by the engineer in charge.

MCCARTER, T. N. *Questions involved in New Jersey regulation.* Elec. Ry. Journ., Sept. 30, 1911.

An argument for recognition of nominal capitalization for purposes of regulation of rates by president of (N. J.) Public Service Corporation.

ORTON, J. F. *Privilege becomes property.* Independent, Oct. 12, 1911.

A discussion of the decision of the United States Supreme Court in the (N. Y.) Consolidated Gas case with especial reference to the capitalization of franchise values.

RODGERS, J. H. *Tramways finances and policy.* Tram. & Ry. World, Oct., 1911.

Survey of 88 British municipalities owning and operating street railways.

WILCOX, N. T. *Some reasons for difference in price of different services.* Stone & Webster Pub. Serv. Journ., June, 1911.

Aims to justify differential charges for different electricity services.

———— *Determination of the proper bases for rates and fares.* Elec. Ry. Journ., Dec. 2, 1911.

Report of committee of American Electric Railway Association recommends zone system of fares for street railways in cities.

———— *Fare agreement in Detroit.* Elec. Ry. Journ., Oct. 28, 1911.

Summary of agreement to be submitted to popular vote for settlement of street railway franchise problem.

———— *Hearing at Buffalo on international traction reorganization.* Elec. Ry. Journ., Oct. 21, 1911.

B. J. Arnold's theory of capitalization of "cumulative excess."

*Provisions of the new Detroit ordinance.* Elec. Ry. Journ., Dec. 16, 1911.

A summary of the provisions, section by section.

*Select list of references on rates charged for public utilities in various cities.* Special Libraries, Dec., 1911. Pp. 4.

*Transportation problem of Los Angeles.* Elec. Ry. Journ., Nov. 18, 1911.

Report of B. J. Arnold with maps. (Reprint).

*Values claimed in the Buffalo plan. Hearing in Buffalo on international traction reorganization.* Elec. Ry. Journ., Nov. 4, 1911.

Discussion of the inclusion of "cumulative excess" among the elements of reasonable capitalization.

## Commerce and Industry

(Abstracts by H. S. Person)

BAKER, R. S. *Hawaiian sugar industry.* Am. Mag., Nov., 1911.

CHALMERS, T. *Periodical fluctuations in trade and their effects on investment securities.* Scottish Bankers' Mag., Oct., 1911.

A brief discussion of the relation to periodical fluctuations in trade of war, too rapid conversion of circulating into fixed capital, strikes, overtrading, new inventions and new legislation. The discussion of the effect on investment securities is incidental and incomplete.

DANIEL, H. C. *An inquiry into trade principles.* Econ. Rev., Oct. 16, 1911.

DOWNES, W. C. *The commission house in Latin American trade.* Quart. Journ. Econ., Nov., 1911.

Large manufacturers may profitably undertake to sell directly in the Latin-American market; small manufacturers, selling diversified products, should take advantage of the export commission house.

MAVOR, J. *The economic results of the specialist production and marketing of wheat.* Pol. Sci. Quart., Dec., 1911.

Specialist wheat production and marketing has made necessary the development of a "gigantic" mechanism of relationship between agricultural and commercial capital upon the smooth working of which depends the prosperity of the farmer. This requires closer attention on his part to the commercial side of agriculture.

PATUREL, G. *Les industries françaises au début du XX<sup>e</sup> siècle. L'industrie cotonnière. Développement et puissance actuelle de production.* Journ. des Econ., Oct. 15, 1911.

To be followed by a similar comparative study of French trade in cotton goods.

VON SCHULLERN ZU SCHRATTENHOFEN, H. *Fremdenverkehr und Volkswirtschaft.* Jahrb. f. Nat. Oek., Oct., 1911.

An interesting study of a phase of economic activity concerning which little has been written—the economic, demographic and cultural influences of "the aggregate of economic activities immediately associated with the inflow, sojourn, and outflow of strangers into, within and out of a given community, region or state." The study is too comprehensive and substantial for satisfactory brief analysis; it comprises a range of inquiry from the influences on industries and transportation systems to the influences on housing, dress and drinking customs.

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Forty years of the lace trade. Economist (London), Sept. 23, 1911.

The great increase in the imports of lace does not mean a decline of that industry in the United Kingdom; the increase of re-exports has been very much greater. The trade of the United Kingdom in lace shows a greater increase than that of Germany or of France.

### Corporations and Trusts

(Abstracts by M. H. Robinson)

ANZILOTTI, E. *I sindacati d'imprenditori nella Navigazione.* Giorn. d. Econ., Sept., 1911.

A concluding article. (See July number.) The increased profits of the steamship trust have not a monopoly origin, but arise from the savings and economies of large scale operation. Competition has not been eliminated.

BAIN, H. F. *Alaska coal mines and a coal monopoly.* Min. & Sci. Pr., Sept. 30, 1911.

Coal mining as illustrated by experience in anthracite coal in Pennsylvania and bituminous coal in the Central States, tends to develop monopolies, and suggests that the United States government operate directly about 40 per cent of the Alaskan mines and lease the remainder on fairly long term leases to the highest bidder. Also believes that the government should follow the German method of joining with the other producers in fixing prices and output.

BENJAMIN, R. M. *Illinois plan for the prevention and suppression of monopolies*. Central Law Journ., Aug. 28, 1911.

A description and discussion of the Illinois plan, as formulated in a resolution of the Illinois legislature on May 11, 1911, asking Congress to call a convention for the purpose of granting to national government the power to suppress monopolies throughout the United States.

BRUCE, A. A. *The Supreme Court and the Standard Oil Case*. Central Law Journ., Aug. 18, 1911.

BUTLER, N. M. *Politics and business*. N. Y. Bull. Chamb. Commerce, Dec., 1911.

The government is at war with the economic forces in trying to restore the era of individual competition. Coöperation, illustrated by the corporations, is the dominant force and the government should recognize this. Monopoly and fraud may best be checked by punishing the individuals guilty of such practices.

CAWCROFT, E. *Public ownership of grain elevators*. Editorial Rev., Nov., 1911.

The farmers of the Canadian Northwest are planning an extension of public ownership, including grain elevators, not as a socialistic experiment, but to aid the small farmer in his efforts to protect his private property in land.

DEWING, A. S. *The United States Leather Company and its reorganization*. Quart. Journ. Econ., Nov., 1911.

An accurate and impartial presentation of the conditions and causes leading to the reorganization of one of the earlier formed trusts and a discriminating analysis of the plans of reorganization proposed and of the one finally accepted.

EDMUNDS, G. F. *The law against the trust*. No. Am. Rev., Dec., 1911.

A complete history of the origin and authorship of the Sherman Act by its chief author is all the more interesting because of the statements made showing that its originators expected it to be interpreted in the "light of reason" as are the recent Standard Oil and Tobacco Cases. The writer's remarks on the Knight Case are illuminating.

GOOD, J. *A British view of the steel corporation*. Atlantic, Dec., 1911.

Mr. Good affirms that the United States Steel Corporation, by its extravagance, its policy of high prices and overinvestment, has enabled the English and German steel manufacturers to expand greatly exports; and that the steel corporation has failed to be a good earning proposition. His statements are, however, full of errors of fact and his conclusions should be carefully analyzed before being accepted.

HAMISCH. *Das Oesterreichische Tabakmonopol im 18. Jahrhundert*. Viertel-jahrsch. f. Sozial- u. Wirtschaftsgesch., Vol. VIII, Nos. 2-3, 1911.

MALLON, C. W. *The Sherman Act and business.* Yale Rev., Jan., 1912.

The Standard Oil and Tobacco decisions are the ablest and most important judicial utterances in recent years. They show that any combinations tending toward monopoly come within the intent of the act and that all others are exempt. These decisions, therefore, establish tests by which any corporation can compare its organization and methods of doing business and so determine with reasonable certainty its legality.

MARTIN, A. H. *Influence of the Standard Oil Company in California.* Min. & Engg. Wld., Sept. 9, 1911.

The Standard Oil Company has been dominant in Northern California, while the Union Oil Company (independent) has occupied a similar position in southern districts. The company has been formed by the producers of refining oil, while opposed by the producers of fuel oil. The Standard Oil Company has nearly ready for operation the foundation of what is to be the largest refinery in the world, just immediately north of Los Angeles, thus indicating that it is to enter the southern field.

MCCHORD, W. C. *The problem of controlling monopolies.* Editorial Rev., Oct., 1911.

The author does not believe in the destruction or disintegration of trusts, but advises the establishment of state commissions with power to determine under what conditions a trust may operate in the given state. The state commissions should work in coöperation with a national commission in control of interstate business.

MONTAGUE, G. H. *The future of anti-trust legislation.* Editorial Rev., July, 1911.

PINNER, F. *Reichspetroleummonopol.* Die Bank, Nov., 1911.

On account of the dominating position of the Standard Oil Company, a government monopoly of the petroleum business in Germany has been advocated. The author considers this proposal in its effect upon trade, capital, and commerce, and concludes that at present there is sufficient competition through Austrian and Roumanian oil companies etc. to justify the continuance of the business in private hands.

POSCHINGER, H. V. *Fürst Bismark und das Tabakmonopol.* Jahrb. f. Gesetzgeb. (Schmoller's). I, 1911.

ROOSEVELT, T. *The trusts, the people and the square deal.* Outlook, Nov. 18, 1911.

Reviews his own policy as President of the United States and suggests that the trusts be placed under the control of a commission on the lines of the Interstate Commerce Commission. Lawsuits against trusts cannot effect a permanent solution. What is required is a commission to control this organization and operation.

ROYALL, W. L. *The trust decisions.* Central Law Journ., July 28, 1911.

"This decision," the writer states, "has put the trust question upon its true foundation and ought to end it." Argues that the portion

of the Trans-Missouri case which discussed the applicability of the law to reasonable restraint of trade was obiter dicta. Also discusses the Standard Oil and Tobacco cases and argues that to hold that the act covered every combination would make it unconstitutional.

ROYALL, W. L. *Is the United States judiciary powerless to hurt the business of a trust?* Central Law Journ., Oct. 27, 1911.

The author cites many cases to show that while the government may, by injunction, prevent a corporation from future profits arising from a monopolistic control over industry, the law and the constitution prevent any project from being successfully prosecuted by which past profits would be taken from those who hold them.

SEAGER, H. R. *The recent trust decisions.* Pol. Sci. Quart., Dec., 1911.

An able review of the decisions under the Anti-trust Act, with especial emphasis upon the Standard Oil and Tobacco cases, and the rule of reason. Argues that it is impossible to determine whether a large corporation is operating in conformity with the law, and calls attention to the desirability of action by further legislation along the lines suggested by President Taft.

VANCE, H. *Pseudo economies in large industrial organizations.* Eng. News, Oct. 19, 1911.

The author, writing from his own personal experience, shows how managers with large financial training but little technical knowledge are continually ordering subordinates to pursue rash methods and false economies that result in high cost of manufacture.

WALKER, A. H. *Who wrote the Sherman law?* Central Law Journ., Oct. 13, 1911.

A statement as to the authorship of the Sherman law based upon the writer's personal knowledge, supplemented by correspondence with the authors of various sections.

WISKOTT, E. *Die Durchführung der Bekanntmachung des Reichskanzlers vom 19. Dezember, 1908, betreffend den Betrieb der Anlagen der Grosseisen-industrie.* Jahrb. f. Nat. Oek., Oct. 1911.

## Labor and Labor Organizations

(Abstracts by George E. Barnett)

ABBOTT, E. and BRECKINRIDGE, S. P. *Women in industry: the Chicago stockyards.* Journ. Pol. Econ., Oct., 1911.

A detailed description of the work of women in a typical Chicago stockyards plant. Women are found only in the most unskilled occupations; the surroundings are ugly and offensive; the employment is irregular and wages are low.

ANDREWS, J. B. *Death from industrial lead poisoning (actually reported) in New York State in 1909 and 1910.* Bull. Bur. Lab., July, 1911.

A study of sixty cases reported on physicians' death certificates.



BARKER, D. A. *Factory labour in India*. Econ. Rev., Oct. 16, 1911.

A brief description of conditions in Indian factories. Deals particularly with the length of the working day.

BARKER, J. E. *The labour revolt and its meaning*. Nineteenth Cent., Sept., 1911.

BAUMANN, A. A. *The law and the labour party*. Fortn. Rev., Oct., 1911.

Severely critical of the policy of the Liberal party in recent years toward the English trade-unions.

BRUCE, A. A. *The New York employers' liability act*. Mich. Law Rev., June, 1911.

Criticizes opinion in *Ives v. South Buffalo Ry. Co.*

CLAY, A. *Public opinion and industrial unrest*. Nineteenth Cent., Dec., 1911.

The cause of unrest lies in a defective educational system and in a public opinion which approves paternal legislation.

COMBES DE LESTRADES. *Les lois sur l'industrie en Autriche et en Allemagne*. Mus. Soc., Mém. et Doc., Nov., 1911.

A comparative study of the German and the Austrian legislation with reference to the right to carry on a business or to enter a trade.

COX, H. *The economics of strikes*. Finan. Rev. Rev., Sept., 1911.

Maintains that if the enforcement of contracts, one of the primary functions of every government, were effectively performed, the worst evil of strikes, namely, their suddenness, could be entirely obviated; and proposes that, to secure obedience to the law, an adequate sentence of imprisonment should be substituted for the present pecuniary penalty, which is insufficient.

DARROW, C. *Why men fight for the closed shop*. Am. Mag., Sept., 1911.

DAWSON, M. M. *Workmen's compensation: would the best system for general welfare be constitutional?* Survey, Aug. 5, 1911.

Argues that a federal tax levied upon employers, according to hazard, as a percentage of the pay roll, to be collected and disbursed by mutual associations of those contributing, would be constitutional.

EARLE, S. E. *The lithographers' international protective and beneficial association of the United States and Canada*. Journ. Pol. Econ., Dec., 1911.

History, government, and functions of the union briefly described.

FEHLINGER, H. *Growth of trade unionism in Germany*. Am. Federationist, Jan., 1912.

An abstract of the yearly statistical report of the German General Commission of trade unions.

FITCH, J. A. *Steel and steel workers in six American states*. Survey, Oct. 7, Nov. 4, Dec. 2, 1911 and Jan. 6, 1912.

GOMPERS, S. *President Gompers' report*. Am. Federationist, Dec., 1911 and Jan., 1912.

Report to the 1911 session of the American Federation of Labor.

HALL, J. P. *The New York workmen's compensation act decision.* Journ. Pol. Econ., Oct., 1911.

Argues that the New York act did not involve a taking of property without due process of law. It is not true that liability without fault is a new departure in American and English law. The decisive questions were whether the statute sought an end so unreasonable or arbitrary as not to be within the legislative discretion or whether it sought a legitimate end by unreasonable or arbitrary means.

HAMILTON, A. *White-lead industry in the United States with an appendix on the lead-oxide industry.* Bull. Bur. Lab., July, 1911.

HARPER, S. A. *Workmen's compensation in Illinois.* Illinois Law Rev., Oct., 1911.

The extension of the liability of the master to cover the negligent acts of a servant or agent, is a comparatively recent, judge-made privilege given to the employee, and what has thus been given him might in reason be taken away in the exercise of the reasonable police power of the state.

HOYER, A. *Arbejdsstatistik.* (Tarifstatistik—Arbejdslønsstatistik), Nat. ök. Tids., Nov.-Dec., 1911.

An examination into the value and necessity of labor statistics both as to labor agreements and wages, in view of the increasing interest taken by the Danish government in the amicable settlement of disputes between labor and capital. A law providing for arbitration in such cases was enacted in April, 1910.

A. J. *Glidende Lønskalaer.* Nat. ök. Tids., Sept.-Oct., 1911.

The sliding wage-scale,—an attempt to make the wage level depend upon the amount of unemployment in the industry.

JONES, H. *The ethics of labor movements.* Nation, Oct. 5, 1911.

KENNEY, R. *Railway ferment.* Eng. Rev., Oct., 1911.

LAYTON, W. T. *The wages question in the railway service.* Fortn. Rev., Dec., 1911.

Railroad employees are at a disadvantage in wage bargaining. A fair wage for such employes would be one which fell or rose proportionately with wages fixed under fair competitive conditions.

LILLY, W. S. *The philosophy of strikes.* Nineteenth Cent., Oct., 1911.

MACDONALD, J. R. *The sympathetic strike.* Socialist Rev., Nov., 1911.

This weapon should not be used incautiously.

MARSTRAND, E. *Nogle nyere Undersøgelser om Forholdet mellem Arbejdstid og Arbejdsydelse.* Nat. ök. Tids., Sept.-Oct., 1911.

Examines critically some recent investigations of the relation between hours of labor and the productivity of labor, more particularly those of Abbe, Fremont, Weber, Bernhard, and Schmitz.

OLIVER, T. *Industrial lead poisoning, with descriptions of lead processes in certain industries in Great Britain and the western states of Europe.* Bull. Bur. Lab., July, 1911.

A comprehensive study of all phases of the subject.

PAYEN, E. *L'inspection du travail en 1910*. L'Econ. Franç., Sept. 30, 1911.

Chiefly a summary of the more important statistical information in the report of the Commission Supérieure du Travail for 1910. The author argues that the extension of the work of the inspectors has diminished their efficiency in enforcing the laws regulating the labor of women and children.

PAYEN, E. *L'hygiène et la sécurité des travailleurs*. L'Econ. Franç., Dec. 9, 1911.

PEIRCE, P. S. *Industrial diseases*. N. Am. Rev., Oct., 1911.

ROBERTS, E. *Labor exchanges in Germany*. Scribner's, Jan., 1912.

ROWNTREE, B. S. *The industrial unrest*. Contemp. Rev., Oct., 1911.

The chief cause of unrest is the existence of two and one half million laborers who are paid less than 25s. weekly, a sum insufficient to maintain efficiency.

S. S. *International conference on unemployment*. Charity Organ. Rev., Oct., 1911.

Brief abstracts of four of the more important papers presented at the conference, viz., Westergaard on "Statistics of Unemployment", Schiavi on "Labor Exchanges," Falkenburg on "Insurance against Unemployment," and Pigou on the "Problem of Involuntary Idleness."

SCHOU, P. *De franske statsfunktionærers Forenings- og Strejkeret*. Nat. øk. Tids., July-Aug., 1911.

Discusses at some length the position of government officials in France with special reference to their right to organize and to strike.

SNYDER, C. L. *The recent strike siege in Des Moines*. Elec. Ry. Journ., Nov. 18, 1911.

An account of the Des Moines street car labor trouble by the chief clerk of the Des Moines City Railway.

STEPHENSON, W. T. *The railway conciliation scheme*. Econ. Journ., Dec., 1911.

"The amended scheme must be a great disappointment to all who hoped for a statesmanlike proposal likely to lead to a lasting peace."

SUMNER, H. L. *Industrial courts*. Rev. of Rev., Oct., 1911.

A popular account of the industrial courts in European countries. Urges that such courts are valuable in maintaining industrial peace by providing an easy method of settling minor differences between employers and employees.

TAYLOR, G. *England's revolutionary strike*. Survey, Oct. 7, 1911.

An account of the English railway strike with some comment on its significance.

VENABLE, W. M. *Industrial accidents and liability of employers*. Engg. Mag., Aug., 1911.

WAMBAUGH, E. *Injunction and contempt procedure*. Am. Federationist., Oct., 1911.

Urges that procedure in contempt cases is faulty in that: (1) the case is triable before the judge who issued the injunction; (2) no mode of correction of possible errors of fact by the judge is supplied by the law; (3) punishment has no known limit; (4) there is no power of pardon.

WARRINER, S. D. *The anthracite board of conciliation*. Bull. Am. Inst. of Min. Engrs., Aug., 1911.

WHITE, H. *Labor leader's own story*. World's Work, Oct., 1911.

————— *International trade union statistics*. N. Y. Dept. Lab. Bull., Sept., 1911.

*Laws enacted during 1911 requiring the report of occupational diseases*. Bull. Bur. Lab., July, 1911.

The text of the laws in six states.

*Massachusetts workmen's compensation act*. Law Notes., Sept., 1911.

A detailed synopsis of the Massachusetts act, to which is appended the opinion of the justices of the Massachusetts supreme court, sustaining its validity.

————— *Membership of the A. F. of L.—1881-1911*. Am. Federationist, Jan., 1912.

*The strike on the Coney Island and Brooklyn railroad*. Elec. Ry. Journ., Nov. 18, 1911.

## Money, Prices, Credit and Banking

(Abstracts by Fred Rogers Fairchild)

ANDREW, A. P. *Coöperation in American banking*. Moody's Mag., Nov., 1911. Pp. 5.

The United States is the only country that still suffers from general financial panics; hence, need of banking reform. Outline of the organization of the proposed National Reserve Association.

BARRETT, G. E. *Possible effect of the Aldrich plan on business and the bond market*. Moody's Mag., Dec., 1911. Pp. 5.

The transitional effect of adopting the Aldrich plan will be increased banking power and credit currency; hence, increased prices and interest rates and consequent decline in market value of bonds. The final effect will be good.

BRISMAN, S. *Affärsbankerna i Danmark och Norge*. Ek. Tidssk., No. 9, 1911.

The author gives a clear, concise account of the commercial banks in Denmark and Norway, which, he says, have been practically neglected in all recent economic literature dealing with Scandinavian banks.

BUSH, I. T. *Banking reform for business men.* Moody's Mag., Nov., 1911. Pp. 3.

Argument in support of the principle of the Aldrich plan.

CONANT, C. A. *Development of the check.* Bankers' Mag., Nov., 1911. Pp. 6.

An account of the historical development of the check. Comparison of American and European practice. Safeguards against forging and alteration.

CROMWELL, W. C. *How the money power is kept out of the Reserve Association plan.* Moody's Mag., Nov., 1911. Pp. 8.

Argument is illustrated by numerous charts and diagrams.

DRACHMANN, A. B. *Det ældste romerske Møntvasen.* Nat. øk. Tids., Nov.-Dec., 1911.

The author gives the results of his investigations concerning the old Roman monetary system, differing, as recent investigators do, from Mommsen's classic presentation of the subject.

FIELD, F. W. *Half a century of Canadian banking development.* Bankers' Mag., Dec., 1911. Pp. 7.

A brief historical and statistical account.

FISHER, I. *Is the price level controllable?* Moody's Mag., Oct., 1911. Pp. 9.

Outline of a plan for maintaining a stable international standard of value, by a combination of the gold-exchange standard as used in India, and the tabular standard based on an index number of commodity prices.

FRASER, D. *The problem of the gold reserve.* Journ. Inst. Bankers, Dec., 1911. Pp. 4.

Advocates substitution of gold for the government debt held by the Bank of England as part security for its note issues.

GIBSON, A. H. *Gold reserve: some suggestions.* Bankers' Mag. (London), Nov., 1911. Pp. 14.

Calls attention to the insufficiency of the gold reserves of the banks of the United Kingdom, and outlines a rather elaborate plan for maintaining larger and more effective reserves.

GUYOT, F. *La production de l'or et les prix.* Journ. des Econ., Nov. 15, 1911. Pp. 24.

A critical examination of the "quantity theory" of money, based on the statistics of gold and silver production from 1493 to 1909, and the "Economist" index number from 1845-50 to 1910. Account is also taken of other factors influencing the production and consumption of wealth and the price level. Concludes that the production of gold has not been excessive, that it has had no great influence in raising prices, and that the quantity theory is not supported by the facts.

HAUSSE. *L'influence de l'encaisse des grandes banques dans la dernière crise.* (Société d'Economie Politique, Réunion du 4 Novembre, 1911.) Journ. des Econ., Nov. 15, 1911. Pp. 7.

A study of the cash reserves of the great French deposit banks, their

amount, variation, and proportion to liabilities. Comparisons with other countries. Shows small influence of crisis of 1907, and somewhat greater influence of political crisis of 1911.

HEYN, O. *Die Bestimmungsgründe des Diskonts*. Zeitschr. f. Socialwis., Oct. 4, 1911. Pp. 12.

A critical examination of certain conclusions of Georg Schmidt (*Der Einfluss der Bank-und Geldverfassung auf die Diskontpolitik und Kredit und Zins*), i. e., that the rate of discount depends, not on the amount of capital and the activity of business, but upon the character of the monetary and banking systems; and, further, that any country might safely abolish the metallic basis of its monetary system and substitute a currency consisting solely of bank notes, issued by a central bank subject to no obligation to redeem its notes and with no limit to the amount issued. Heyn finds these propositions untenable.

KEMMERER, E. W. *Some public aspects of the Aldrich plan of banking reform*. Journ. Pol. Econ., Dec., 1911. Pp. 12.

An argument for the Aldrich plan, based on its public services in displacing the independent treasury, controlling the rate of discount, influencing the foreign exchanges, providing an elastic currency, and supervising the nation's banking system. Criticises the plan for giving virtually complete control of the Reserve Association to the bankers.

LAWSON, W. R. *Banking aspects of the national debt*. Bankers' Mag. (London), Oct., 1911. Pp. 12.

Calls attention to the continual decline in the market value of consols. Places the blame on the management of the national treasury, the increased variety and complexity of debt issues, the increasing holdings of debt by the government, the sinking fund policy, etc. Criticises the policy of the Postal Savings Bank.

LEROY-BEAULIEU, P. *Les modifications projetées au statut de la Banque de la France: nécessité de réduire sa circulation au lieu de l'augmenter*. L'Econ., Franç., Nov. 25, 1911. Pp. 3.

A critical analysis of the changes which the government proposes to make in the charter of the Bank of France, especially the proposal to increase the limit of note issue by one billion francs. Opposes this increase; urges rather a gradual decrease. Calls attention to the excessive note circulation of France, and her small use of checks, as compared with other countries. Recommends especially general adoption of the crossed check.

MACCAULAY, F. R. *Time and call money*. Moody's Mag., Dec., 1911. Pp. 8 (2 charts).

A statistical study of the relations between time and call interest rates and between interest rates and stock market prices. Concludes that interest rates are of slight value in forecasting prices of stocks.

McKAY, J. *Tendencies and aims of building associations*. Am. Bldg. Assoc. News, Nov., 1911. Pp. 7.

Discusses the following topics with recommendations: Coöperation

of borrowers and depositors, large vs. small associations, advertising, abolition of fines, matured shares, rate of interest on loans, abolition of premiums, risks assumed by borrowers, definite contracts with borrowers.

MACVEAGH, F. *Banking and currency reform.* Journ. Pol. Econ., Dec., 1911. Pp. 10.

An argument in favor of the Aldrich plan. Emphasizes the urgency of prompt action. Favors giving national banks authority to do trust company business. Would forbid one bank to hold stock in another.

MUHLEMAN, M. L. *The burden of unequal credit?* Moody's Mag., Nov., 1911. Pp. 3.

Shows the uneven distribution of banking facilities among different sections of the United States, together with the great geographical variation in interest rates. Approves the Aldrich plan.

PERRIN, J. *What is wrong with our banking and currency system?* Journ. Pol. Econ. Dec., 1911. Pp. 10.

The chief defect of our banking system is the scattering of reserves among independent banks. The chief defect of the currency system is the fact that money in circulation can expand or contract only by drawing on or adding to bank reserves.

PHELPS, L. R. *The future of interest.* Econ. Rev. Oct. 16, 1911. Pp. 8.

A brief discussion of the way in which England's savings are invested, with some speculation as to the future of the rate of interest.

PRICKETT, W. A. *Banking and loan system of New Zealand.* Daily Con. & Trade Rep., Nov. 3, 1911. Pp. 5.

A summary of the laws regarding banking; postal savings banks; loans and advances by the government to settlers, workers, and local bodies; government aid to land settlement and to assist workers in obtaining dwellings.

REYNOLDS, A. *The necessity of commercial credits in the Middle West.* Moody's Mag., Nov., 1911. Pp. 3.

The peculiar banking needs of the Middle West. The Aldrich plan will help to meet them.

RHETT, R. G. *A suggestion for the reformation of our banking and currency system.* Bankers' Mag., Dec., 1911. Pp. 7.

An elaborately worked out scheme based on a "National Reserve Association" in each central reserve city, a number of "National Currency Associations," whose members may issue notes, and a number of "National Guaranty Associations," for the purpose of guaranteeing commercial paper.

SCHMIDT, F. *Das argentinische Bankwesen.* Zeitschr. f. d. ges. Staatsw., Nov. 2, 1911. Pp. 18.

A statistical and technical account of the Argentine banking system, with special attention to bank statements and the character of business done.

SCOTT, W. A. *The administration and control of the proposed central reserve association.* Journ. Pol. Econ., Dec., 1911. Pp. 15.

An analysis of the provisions of the Aldrich plan relating to the choice of directors of the reserve association, its branches, and the local associations, with a view to determining the probability of control by the large city banks. Reaches a qualified conclusion that such control is unlikely.

SPALDING, W. F. *The establishment and growth of foreign branch banks in London, and the effect immediate and ultimate, upon the banking and commercial development of this country.* Journ. Inst. Bankers (London), Nov., 1911. Pp. 29.

Legal status of branches of foreign banks in England and of English branches abroad; aims of the foreign bankers; competition with English banks and how it is being met; immediate and probable future effects upon the banking development of the country. Concludes that foreign branch banks are an advantage, through their tending to stimulate foreign trade, on which England's prosperity rests.

SPRAGUE, O. M. W. *The clearing house function of the reserve association.* Moody's Mag., Nov., 1911. Pp. 4.

Urges that the proposed reserve association be made the organ for settlement of clearing house balances in cities where its branches are located, and the agent for settlement of payments and transfer of funds between different parts of the country.

SPRAGUE, O. M. W. *The reserve association and the improvement of methods of making payments between the banks.* Journ. Pol. Econ., Dec., 1911. Pp. 10.

Predicts that the adoption of the Aldrich plan will lead to prompter collection of checks, complete or partial disappearance of exchange charges between cities, and disappearance of all charges on currency shipments.

SWIFT, W. M. *The merits of our present banking system.* Moody's Mag., Nov., 1911. Pp. 7.

Calls attention to the American predilection for currency inflation. Commends the present banking system for imposing an automatic check upon inflation, etc. Suggests changes in Aldrich plan to safeguard against inflation. Qualified approval of Aldrich plan.

THOMPSON, C. M. *The monetary system of nouvelle France.* Journ. of the Illinois State Hist. Soc., July, 1911. Pp. 12.

A brief account of the various kinds of money and money substitutes used in the American colonies of France, and the French legislation on the subject.

VANDERLIP, F. A. *Safeguards against panics.* Journ. Am. Bankers' Assoc., Oct., 1911. Pp. 6.

A brief history of the currency reform movement, and a description and explanation of the Aldrich plan, with favorable comment.



VREELAND, E. B. *Reserve Association of America*. Journ. Am. Bankers' Assoc., Oct., 1911. Pp. 18.

The defects of our banking system. Comparison with European countries. Defense of the Aldrich plan. An address, followed by discussion by several other speakers.

WALKER, E. *Banking in Canada*. Journ. Inst. Bankers, Oct., 1911. Pp. 31.

A careful historical account of the development of the Canadian banking system, and a critical survey of its present organization.

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*The proposed national reserve association*. Bankers' Mag., Nov., 1911. Pp. 20.

A symposium of views of bankers. (1) J. B. Forgan points out that the massing of reserves in the reserve association will reassure the public mind, thus securing one advantage of branch banking. It will also give a more correct impression of the country's banking power than is now given by statements of the New York Clearing House banks. (2) H. W. Yates opposes the proposed Reserve Association on the ground that its powers are so limited as to make it of little use and that it is really a step towards a strong central bank, which he opposes. (3) R. G. Rhett opposes the plan, urging that further concentration of reserves will breed panics, that there is little inducement to banks to become members, and that the control of the reserve association is likely to be used for political or private ends. (4) A. J. Frame endorses the Aldrich plan in a qualified way, but warns against making credit too easy in normal times and opposes the permission to banks to accept drafts drawn upon.

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*The circulation of the bank of France*. Statist, Nov. 4, 1911. Pp. 2.

The hoarding of notes by the French people; evils of the fixed limit to note issue; advantages of the German elastic limits; what the French might gain by more general use of the check system.

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*Banking on the continent*. Bankers' Mag. (London), Oct., 1911. Pp. 10.

Brief outline of the history and present business of the banks of France, Germany, the Netherlands and Belgium.

## Public Finance

(Abstracts by C. C. Williamson)

ADELUNG, B. *Hessische Gemeindesteuer-Reform*. Kommunale Praxis, Oct. 21, 1911. Pp. 2.

ANDREWS, C. A. *The taxation of intangibles*. Rollins Mag., Jan., 1912. Pp. 9.

A repetition of the familiar story of the complete failure of the general property tax and a review of some of the possible methods of reform.

ARTAUD, A. *Le régime douanier colonial actuel. Comment il faut le reviser*. Rev. Pol. et Parl., Apr., 1911.

BARCHEWITZ. *Zur Vereinfachung des Rechnungswesens: Die Verrechnung bezahlter Gehalte.* Finanz-Archiv, Jahrg. XXVIII, Vol. 2, 1911. Pp. 68.

A lengthy article on the details of public accounting for German states and cities, with special reference to control over the payment of salaries to public officials.

BEALE, T. *The measure of income for taxation.* Journ. Pol. Econ., Oct., 1911. Pp. 26.

Recommends an "income tax" based on expenditure, with exemption of the means of subsistence and progressive rates, the purpose being to promote saving and limit undesirable expenditure.

BRINDLEY, J. E. *Recent tax legislation in Iowa.* Quart. Journ. Econ., Nov., 1911. Pp. 5.

A note on the "important and comprehensive" tax legislation of the 1911 legislature, which included a flat rate of 5 mills in lieu of the general property tax on moneys and credits.

BUCK, L. *Die weitere Entwicklung der Einkommen- und Vermögensbesteuerung in Preussen.* Nachtrag zu Bd. I, pp. 45-140. Finanz-Archiv, Jahrg. XXVIII, Vol. 2, 1911.

Supplements author's article by same title in preceding number of the "Finanz-Archiv."

CALVERT, W. R. *Land classification, its basis and methods.* Ec. Geol., Aug., 1911. Pp. 20.

A brief explanation of the principles and methods followed by the Land Classification Board, which are claimed to be "fundamentally scientific in character."

CLARK, J. B. *Taxation and natural law.* Atlantic, Oct., 1911.

To remove the iniquities and injustices of our tax system, Professor Clark recommends the taxation of "the visible and material instruments of production" instead of trying to find and tax their owner. Economic law, which is natural law, will force the real owner to pay the tax; it will not rest upon the entrepreneur or the consumer, but on the capitalist.

CREANGA, G. D. *Die Finanzen Rumäniens und die Ergebnisse der neuen Finanzpolitik der Uerberschüsse.* Finanz Archiv, Jahrg. XXVIII, Vol. 2, 1911.

A comprehensive view of Rumanian public finance, with general statistical tables for the last fifty years. (To be continued.)

DAVENPORT, H. J. *State taxation on interstate commerce. I.* Pol. Sci. Quart., Dec., 1911. Pp. 16.

Reviews a long line of Supreme Court decisions on cases arising out of gross receipts and other taxes levied by the state on corporations doing interstate business, in order to establish the principle that "the states cannot tax the receipts from interstate commerce as such, but they may refer to such receipts to determine the value of property admittedly subject to their taxing power."

DENZ, F. *Das Kommunale Budget und Kompatibilitätswesen*. Ann. des Deutschen Reichs. Nos. 8, 9, 1911.

A valuable article on budget making, financial administration and accounting and auditing in German and other European cities.

DIX, J. A. *The proposed federal income tax*. Editorial Rev., July, 1911.

A strong statement in favor of the federal income tax amendment, "fanciful and impossible dangers" being brushed aside.

ELDRID, W. *The taxation of intangible property in Minnesota*. Quart. Journ. Econ., Nov., 1911. Pp. 3.

By a law approved April 19, 1911, "moneys and credits are to be subjected to an annual tax of three mills, and are exempted from all other taxation."

FINLAY, J. R. *Appraisal of Michigan mines. I*. Eng. and Min. Journ., Sept. 9, 1911.

Report made to the Board of State Tax Commissioners of Michigan. This first part includes a general discussion of methods of mine valuation, with valuations and statistics for individual mines.

FRANCK, G. *Niederländisch-Indien, eine Finanzquelle für das Mutterland*. Finanz-Archiv, Jahrg. XXVIII, Vol. 2, 1911. Pp. 72.

Deals with the development of the Dutch East Indian colonies, the downfall of the Dutch East India Company, the assumption of the colonies by the government of Netherlands and the subsequent financial relations. Although no longer a direct source of revenue to the mother country, the East Indian colonies are considered of great importance for her economic welfare.

GERBINO, G. D F., *Sul concetto di patrimonio e sulla sua funzione dal punto di vista tributario*. Giorn. d. Econ., Oct., 1911. Pp. 31.

HARISTORY, J. *Les remontrances de la cour des comptes sur les irrégularités de la comptabilité publique*. L'Econ. Franç., Nov. 4, 1911. Pp. 3.

An interesting study of the violations of budgetary laws which have been discovered by the *Cour des Comptes* for the fiscal years 1898 to 1908.

HOWELL, C. M. *Economic liberty*. Editorial Rev., Dec., 1911. Pp. 11.

Proposes to solve all economic and social ills by means of a "national, individual, annual, direct, graduated property tax" on "every conceivable sort of property," "after the \$100,000 tax unit of wealth has been acquired." "On that first unit the tax is fifty dollars."

JEZE, G. *Les éléments constitutifs de la notion de dépense publique dans les états modernes*. Rev. Sci. Légis. Fin., July-Aug.-Sept., 1911. Pp. 13.

It is a mistake to attempt to measure the burden of public expenditure by its amount in dollars and cents. Public expenditures being now almost wholly in money, they are apparently large; but money raised by taxation is now used for a public purpose, and taxes are more equitably distributed than formerly.

KENNAN, K. K. *The Wisconsin income tax*. Quart. Journ. Econ., Nov., 1911. Pp. 9.

A note on some of the "novel and interesting features" of the recently enacted income tax law of Wisconsin.

KIRBY, E. B. *The principles of mine taxation*. Eng. & Min. Journ., Oct. 28, 1911.

A discussion of the inequalities of the present methods of mine taxation. Proposes heavier taxation for mineral lands than for improvements in order to force mine development and eliminate speculative holdings.

LANSBURGH, A. *Die Nettorente der Staatsanleihen*. Die Bank, Nov., 1911. Pp. 10.

This low market price of German national securities is causing widespread discussion. This article is devoted to disproving the theory that the present price of these securities represents merely the capitalized value of a lower net income and therefore gives no cause for alarm. The author is strongly in favor of adopting some device for creating a better market.

LAUTERBACH, DR. *Taxation de la plus-value*. Rev. Econ. Int., Oct., 1911. Pp. 25.

An interesting contribution. Claims that the idea of an increment tax really originated in France at the time of Colbert, while Napoleon first had it put into statutory form.

LAWSON, W. R. *The crisis in consols*. National Rev., Oct., 1911. Pp. 15.

An arraignment of the liberal government and "Lloyd George Finance." Since "first-class wars of the future will have to be fought mainly with credit," British consols at  $77\frac{1}{2}$  are a "standing menace to the peace of Europe."

LEFORT, F. *Le budget de la France et les projets de réformes. II*. Rev. Sci. Pol., Nov.-Dec., 1911. Pp. 11.

This second article in the series on French finance criticizes the budgetary methods and recommends a progressive income tax, in order that taxpayers shall take a deeper interest in economy and efficiency in expenditure.

LITTLEFIELD, C. F. *The income tax amendment*. Editorial Rev., July, 1911.

Rehearses the familiar arguments against a federal income tax, denouncing the pending amendment as "ill-considered, ill-advised, and ill-drawn and vicious."

LOEWE, J. *Eine Wertminderungssteuer*. Die Bank, Oct., 1911. Pp. 5.

While increment taxes are occupying so much attention the author thinks it well to call attention to a case in which a decrement of value is actually being taxed. This, he thinks, happens when a tax must be paid on new issues of capital stock in the process of restoring capitalization after it has been reduced by failure and reorganization.

LORIN, H. *Dix ans d'autonomie financière. L'Algérie depuis 1911.* Rev. des deux Mondes, July 15, 1911. Pp. 28.

Describes the financial relations of Algeria and France before and since the first special budget was prepared in 1900. Great progress has been made in these ten years of partial financial autonomy.

MAGUERE, E. *Les valeurs étrangères devant l'impôt.* Rev. Pol. et Parl., Mar. 1911.

MARVAUD, A. *La situation économique et financière de l'Espagne.* Questions Diplomatiques et Coloniales, Nov. 16, 1911. Pp. 12.

Raises the question whether in view of annual deficits, growing debt and the general economic condition of the country, the present is a proper time to bring forward proposals for heavy expenditures on public improvements, including railways, roads, etc.

OUALID, W. *L'imposition des plus-values immobilières en Allemagne.* Rev. Sci. Légis. Fin., July-Aug.-Sept., 1911. Pp. 39.

An exhaustive examination of the provisions of the imperial increment tax law. Theories behind it are not touched.

PAYEN, E. *Les coffres-forts et le fisc.* L'Econ. Franç., Oct. 7, 1911. Pp. 2.

An interesting note on some of the difficulties thrown in the way of administering the inheritance tax by the development of the safe deposit business.

PIGOTT, P. *The taxation of foreign investments.* Econ. Rev., Oct., 1911. Pp. 5.

Aims to expose the fallacy involved in any effort to discourage "taking capital out of the country" by means of taxation.

POSCHEL, M. *Banken und Börsen im Dienste der öffentlichen Emissionen.* Zeitschr. f. Volkswirtsch., Vol. XX, No. 5, 1911. Pp. 39.

A study of the technique of the business of issuing and marketing securities, particularly government loans. The functions of the banks and the exchanges described and compared. Defects in the organization, which have seriously affected the market for government loans. Suggested remedies. Relates mainly to Austria and Hungary; also refers to Germany.

POWERS, L. G. *Budget provisions in commission-governed cities.* Ann. Am. Acad., Nov., 1911. Pp. 10.

Does not discuss budget provisions of actual charters, but outlines "the fundamental provisions that must be contained in the budgets of commission-governed cities," in order to secure popular control over municipal administration and insure economy and efficiency.

REEVES, W. P. *Land taxes in Australia.* Econ. Journ., Dec., 1911. Pp. 14.

A useful statement of the objects, kinds, rates, fiscal yields, evasions and general results of "policy taxes" on land in New Zealand. Questions whether in New Zealand much has been accomplished in breaking up large estates. Gives the provisions of the new Australian federal land tax, which was modeled on the New Zealand law.

SCHNEIDER, D. *Einkommensbesteuerung der über mehrere Staaten sich erstreckenden Gewerbebetriebe mit besonderer Berücksichtigung des württembergischen Einkommensteuergesetzes und der württembergischen Rechtsprechung.* Finanz-Archiv, Jahrg. XXVIII, Vol. 2, 1911. Pp. 2.

A study of the administrative problems of double taxation arising from conflicts in the jurisdiction of taxing powers.

SCHWARZ, O. *Die Finanzen der europäischen und der wichtigeren aussereuropäischen Staaten.* Finanz-Archiv, XXVIII, Vol. 2, 1911. Pp. 99.

Part I is a brief review of important facts in the public finance of all leading countries for the year 1910. Part II is a valuable statistical compilation of revenues and expenditures, under a uniform classification, together with debts and other matters, for no less than forty-five important countries.

SEGNER, F. *Bibliographie der finanzwissenschaftlichen Literatur für das Jahr 1910.* Finanz-Archiv, Jahrg. XXVIII, Vol. 2, 1911. Pp. 21.

A classified bibliography of books and articles on public finance, not including the tariff.

SMITH, H. *Den tyske Rigsværdistigningsafgift.* Nat. ök. Tids., Sept.-Oct., 1911.

A critical study of the German unearned increment tax law of 1909 with special reference to the practicability of applying its main provisions in Denmark.

STRUTZ, DR. *Der Wertzuwachs im Reichzuwachssteuergesetz.* Finanz-Archiv, XXVIII, Vol. 2, 1911. Pp. 49.

An authoritative article devoted to a theoretical analysis of the imperial increment tax, the special purpose being to determine whether such a tax is, or ought to be, based on the benefit or the ability theory.

YOUNG, F. G. *Financial history of Oregon (continued).* Quart. Oregon Hist. Soc., Dec., 1910.

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*The price of consols and government purchases.* Bankers' Mag. (London), 1911. Nov., 1911. Pp. 9.

Another attempt to account for the low price of consols, with a remedy.

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*L'impôt sur la plus-value mobilière (loi du 14 fév. 1911).* Bull. de Stat. et de Lég. Comp., Apr., 1911.

*Le projet de budget pour l'exercice 1912.* Bull. de Stat. et de Lég. Comp., Sept., 1911. Pp. 75.

Text of proposed revenue and expenditure measures, with explanations of their provisions and statistical tables.

### Tariffs and Reciprocity

(Abstracts by Henry R. Mussey)

LORD AVEBURY. *The Duke of Devonshire and tariff reform.* Nineteenth Cent., Dec., 1911.

An argument for the maintenance of the traditional British policy,

based on the prosperity of British industry under that policy. Certain writings of the Duke of Devonshire, as they appear in a recently published work, serve as a text.

BATTIN, C. *Canada's choice*. Nineteenth Cent., 1911. Pp. 7.

Aside from the economic issues involved, reciprocity would involve grave danger to Canadian nationality. Commercial ties would ultimately lead to political ones. British statesmen should take care to encourage imperial unity.

COLQUHOUN, A. R. *Préférence impériale Britannique et réciprocité Canadienne*. Rev. Econ. Intern., Sept., 1911. Pp. 20.

The director of the journal of the Royal Colonial Institute sets forth the political arguments for imperial preference and urges the wide importance of Canada's action in its effect on imperial unity.

CROZIER, J. B. *A warning to Canada*. Fortn. Rev., Sept., 1911. Pp. 13.

Reciprocity would turn Canada over, bound hand and foot, to the American trusts, which would proceed to devour her piece-meal. Despite the potentialities to Canadian agriculture, the American farmer could strangle it upon the basis of present performances. The Canadian tariff ought not to be lowered for at least twenty years; if anything is done it should be raised.

GUYOT, Y. *La cherté et le protectionnisme*. Journ. des Econ., Oct. 15, 1911. Pp. 29.

An examination of the cause of high prices in France and the proposed remedies therefor. Natural causes, notably bad seasons, are in part responsible. The government protective policy has generally increased the rise of prices and is responsible to a much greater degree than the other alleged political and social causes, such as labor legislation, trade-union activity and the like.

HAMMOND, M. O. *Tragedy of reciprocity*. Canadian Mag., Nov., 1911. Pp. 8.

The economic arguments were all in favor of reciprocity, but the big industrial interests were afraid that its adoption meant a later reduction of the whole tariff; hence they defeated it by an appeal to suspicion of the United States and the fear of annexation.

MALLET, C. E. *The case for reciprocity*. Contemp. Rev., Oct., 1911. Pp. 12.

A summary of the arguments for reciprocity between Canada and the United States as seen from a British point of view. Argues that it would give Canada wider markets and would not seriously affect British exports to Canada.

MCARTHUR, P. *Defeat of reciprocity*. Forum, Nov., 1911. Pp. 9.

Ascribes the defeat of reciprocity to the thoroughly organized campaign of big business interests against it, to the anti-American, anti-annexation feeling and to the doubt of many people that reciprocity will benefit Canada. The question is settled for many years to come as Canada will let well enough alone.

SCHELLE, G. *La politique protectionniste*. Journ. des Econ., Sept., 1911. Pp. 19.

The recent appearance of three notable books on French tariffs and tariff policy has prompted the author of this article to a resumé of French tariff history from the time of Colbert. As might be expected, it is an ex parte argument in favor of free trade rather than a mere resumé of facts. Briefly put the story of French tariffs is a story of attempts to benefit French producers by injuring their foreign rivals. But the policy leads merely to reprisals and even war, to the great injury of all concerned.

TAYLOR, B. *Preferential trade in the empire*. Fortn. Rev., Oct., 1911. Pp. 14.

The empire is held together by mutual need for defense and for commerce. The free-traders' joyous proclamation that reciprocity means the end of imperial preference is false. Preference has been a great advantage to British trade, and if the government is wise the policy will be developed for both political and commercial reasons.

### Insurance and Pensions

(Abstracts by William F. Gephart)

ADAMS, C. F. *Pensions—worse and more of them*. World's Work, Jan., 1912. Pp. 7.

A criticism of the proposed pension bill now before Congress. Politics not patriotism is at base the motive of the bill.

BARDOUX, J. *Les retraites ouvrières en Angleterre*. Mus. Soc. Mém., Sept., 1911.

Discusses the old-age pension acts of England of the years 1908 and 1911. Explains the historical origin of the act, the work of Charles Booth, parliamentary commissions and political parties in reference to the laws; also a comparative study of these laws and the French law of 1905. The French law is one of assistance, concerning itself not only with the aged but also the infirm and incurables; the English law proclaims the right of retirement to a certain class of aged persons.

BELLOM, M. *Les caisses d'épargne et les retraites ouvrières*. L'Econ. Franç., Nov. 18, 1911.

Under the former provisions of the law employers paid their assessments to administrative officials who had charge of the fund for workmen's insurance but now the private and state savings banks may be used. These debit the employer's account upon order of the state official and the employer, much in the same way, as taxes, or gas bills are paid in this country. Pass books and stamps for this purpose are used.

BELLOM, M. *Chronique des questions ouvrières et des assurances sur la vie*. Journ. Soc. Statist., Dec., 1911.

BIELEFELDT. *Verbindung staatlicher Zwangsversicherung und freier Privatversicherung*. Zeitschr. f. d. ges. Versicherungsw. Nov., 1911.



Discusses the relation between compulsory and free private insurance; the former is necessary as a means of encouraging thrift, but it should be used only for the purpose of income insurance, leaving private insurance to be used as a source of capital accumulation. The savings banks and insurance could very well supplement each other and this has been done to a limited extent in some countries. The whole theory of compulsory insurance assumes that the people will look to it only as a source of minimum insurance, leaving a large field for the private companies.

BOHMER, S. *Die Bildung eines Organisationsfonds bei der Gründung und Kapitalserhöhung einer Versicherungs-Aktiengesellschaft.* Zeitschr. f. d. ges. Versicherungsw., Nov. 1911.

Discusses whether the law was contravened by the Berlin stock exchange when it asked subscribers to new stock to contribute to an organization fund by paying a premium for their stock. The law provided that all payments above par should go to the legal reserve fund.

BREIT, J. *Administrative Sicherheitsvorkehrungen für Prämieninkassi.* Die Sozialversicherung, Oct., 1911.

Discusses the collection of assessments and concludes that they should be sent direct to the central office. No little difficulty has been experienced in administering liability laws, much of which centers around the problem of collecting the assessments.

FISCHER, A. *Die sozialhygienische Bedeutung der Reichsversicherungsordnung.* Zeitschr. f. Volkswirtsch., Vol. XX, No. 5, 1911.

Discusses the effect of compulsory state insurance for workmen upon the general health and length of life of the people. Reviews the provisions of the past and present insurance laws and concludes that statistics show that the effects on the health of the people has been beneficial.

HOFFMAN, F. L. *Fifty years of American life insurance progress.* Quart. Publics. Am. Stat. Assoc., Sept., 1911. Pp. 93.

A description of the development of insurance during the period covered. Statistical tables are included. There is much information for the general reader.

KORKISCH, H. *Die nach den Erkenntnissen des Verwaltungsgerichtshofen versicherungspflichtigen Privatangestelltengruppen.* Die Sozialversicherung, Oct., 1911.

A discussion of the court decision which defines the classes of employers who must insure under the employers' liability law. Also discusses the troublesome question of classifying employments.

DE LAVERGNE, A. *Les pensions de vieillesse en Angleterre.* Rev. Sci. Pol., Sept.-Oct., 1911.

The law is somewhat experimental. It was the price of support to wage-earners by the Liberal party. The results show that 4/13 per cent of the population in Ireland are beneficiaries and 1½ per cent in

the whole kingdom. Many difficulties have arisen in applying the old-age pension law, such, for example, as determining the correct age, especially in Ireland, and also the real income of the applicant. Voluntary impoverishment is created by transferring property. The cost has far exceeded the original estimate. Ninety-one per cent of the pensioners receive the full pension.

LE HENAFF, F. *L'article 23 de la loi du 5 avril 1910 sur les retraites ouvrières*. Rev. d'Econ. Polit., Sept.-Oct., 1911.

A detailed legal discussion as to the amount that the employer shall pay and how he shall pay it.

LOTT, E. S. *The advantages of uniform accident schedules*. Insurance News, Oct., 1911. Pp. 3.

Shows the need of schedules to determine more accurately the cost of employers' liability and workman's compensation insurance. The effect of devices to prevent accidents should be determined, and allowance made in the premium assessed.

MANTZ, I. P. *The cost of accident double indemnity and beneficiary insurance*. Insurance News, Oct., 1911. Pp. 2.

Shows how the cost of these two new benefits were originally calculated. These benefits are a part of the policies of a number of new companies.

MAYER, A. *Die Versicherung gegen Unfälle in der Landwirtschaft in Holland*. Zeitsch. f. Socialw., Nov., 1911.

Holland is conservative and has benefitted from the experience of other countries in devising laws to protect workmen against accidents. Recently protection has been extended to agricultural laborers. The experience of the past ten years in Holland, as well as in other countries, shows that much is to be gained in efficiency and cost by decentralizing administration and using local bodies.

OERTZEN. *Der Versicherungsschein*. Zeitsch. f. d. ges. Versicherungsw., Nov., 1911.

A discussion of the legal aspects of the insurance contract with special reference to the negotiability of the policy and the parties entitled to receive payment for the face of the policy.

SCHUSTER, E. J. *National health insurance in England and Germany*. Journ. Comp. Legis., Pt. 1, (July) 1911.

Describes the English bill in detail, criticizes it at length, and concludes with a comparison with the German scheme.

SORENSEN, A. *Socialforsikringens Udviklingstendenser*. Nat. ök. Tids., July-Aug., 1911.

Outlines the development in various European countries of "social insurance," i. e., insurance against unemployment, sickness, old age, etc., and discusses present tendencies along this line of social and state activity.

WILKINSON, J. F. *The national insurance bill: respice, aspice, prospice*. Contemp. Rev., Oct., 1911. Pp. 7.

A clear explanation of the conditions which led to the enactment of the national insurance bill in England. It also gives an excellent summary of the provisions of the bill and a statement of the particular ways in which the bill will benefit the people. The author predicts that it will be followed by other reform measures such as a minimum wage law.

### Population and Migration

(Abstracts by William B. Bailey)

ANZILOTTI, E. *Gl'Italiani nell' Uruguay*. Riv. Internazionale, Oct., 1911.

A survey of the circumstances of the Italians in Uruguay.

BOURNISIEN, C. *L'affaiblissement de la natalité française*. R. Pol. et Parl., May 10, 1911.

DE CILLEULS, A. *L'infiltration étrangère en France et ses conséquences sociales*. Réf. Soc., June 16, 1911.

A brief historical sketch of the reception granted by France to immigrants. The Jews are discussed in particular. A surprisingly large proportion of the increase of the population of France in the last half century has been due to immigration. The author fears that this has had a bad effect upon the patriotism of the people.

DEARLE, N. B.; ZIMMERN, A. E. *The alien act. A reply. A rejoinder*. Econ. Rev., Oct. 16, 1911.

England is getting a poor class of aliens since the best go to America, and there is no need for immigrants since there is at present a surplus of labor in the large cities. Since the Alien Act forbids the landing of undesirables and deports those who take to crime, its provisions are defended. A reply to an attack upon the Alien Act by Mr. Zimmermann.

In three pages Mr. Zimmermann states his belief that foreign is not displacing native labor in England, and argues that immigration should be unrestricted unless there is proof that it is detrimental to the country.

HOURLWICH, I. A. *The economic aspects of immigration*. Pol. Sci. Quart., Dec., 1911.

A brief for the immigrant. An attempt to show from the abstracts of the reports of the Immigration Commission that immigration has not had a detrimental economic effect upon the American laborer, that trade-unionism is as strong among the immigrants as among the native American families, and that the process of Americanization proceeds very rapidly among the foreign born.

HUART, A. *Le mouvement de la population depuis 1800 en Europe dans ses rapports avec les crises économiques*. Rev. Econ. Intern., Aug., 1911.

A study of the correlation between economic prosperity and depression on the one hand and birth and death-rate on the other.

JEFFERSON, M. *The growth of the group of population comprised within the*

*cities of New York, Jersey City, and Hoboken.* Bull. Am. Geog. Soc., 1911.

City density is defined as an area with over 10,000 persons to the square mile. Anything under this is classed as suburban. According to this definition Greater New York has a city population of 4,736,000 and a suburban population of 369,000. It is remarkable that part of this suburban area is in the center of the business section of New York where residences have been crowded out.

KIMLOCH-COOKE, C. *Emigration and immigration an imperial problem.* Oxford and Cambridge Rev., Oct., 1911.

England has a surplus population, while the colonies lack workers. Let the imperial government work in conjunction with the colonial authorities to send suitable persons to the sections of country where they are most needed.

LORAN, H. *La législation de l'émigration en Italie.* Mus. Soc. Ann., Sept., 1911.

A digest of the emigration acts passed by Italy in 1901, 1902, 1909 and 1910. It describes the regulations for the care of emigrants before they sail, for their convenience during transportation and for their protection after arriving at the foreign country. It advises emigration of Italians to South America rather than to the United States.

MEURIOT, P. *Le census anglais de 1911.* Journ. Soc. Statist., Dec., 1911.

A digest of the 1911 census of England, Ireland, and Scotland. The numbers of the population and rate of increase or decrease is given from 1831 to date. The proportion of the population living in city and country is also considered. A separate section of the article is devoted to the growth of London.

MEURIOT, P. *La population de l'Empire allemand en 1910.* Journ. Soc. Statist., Dec., 1911.

The population of the German empire is given by five year periods from 1871 to 1910. At the same time the numbers in the different provinces of Prussia and the various states of the empire are given for 1871, 1905 and 1910. The population of all cities over 100,000 in the empire is given for 1910, and a special study is made of the population of Berlin.

MEURIOT, P. *La population de la Suisse en 1910.* Journ. Soc. Statist., Dec., 1911.

The absolute numbers of the population and the rate of increase are given from 1850 to 1910. The foreign born population of the country is also given during this period and from 1880 to 1910. The population is distributed according to religion from 1850 to 1910.

MICHELIS, R. *Perche i Tedeschi non emigrano piu?* Rif. Soc., Oct.-Nov., 1911.

The chief cause of the decline of emigration from Germany and the increase of immigration is industrial expansion.

DE NOUVION, G. *La dépopulation*. Journ. des Econ., June 15, 1911.

The increase in the French population is due rather to the decrease in the death-rate than to increase in the birth-rate. This slow increase is injuring France in getting colonial possessions for she needs all her people at home. The families are not small from necessity but choice. The birth-rate seems to vary inversely with the cost of living. The author considers this principally a financial question.

PAGE, T. W. *The transportation of immigrants and reception arrangements in the nineteenth century*. Journ. Pol. Econ., Nov., 1911.

An extremely interesting article for which most of the material was drawn from original sources. It describes in detail the arrangements for the transportation of immigrants from the beginning of the eighteenth century until the time when the federal government took charge of the regulation of immigration. The experiences of immigrants on the passage and upon arrival in this country are briefly and clearly stated.

PHELPS, E. B. *The mortality of alcohol*. Am. Underwriter, Sept., 1911.

To be reviewed.

PRINZING, F. *Die Abnahme der ehelichen Fruchtbarkeit auf dem Lande in Deutschland*. Zeitschr. f. Socialw., Dec., 1911.

The fecundity of the married women in the rural districts of Germany began to decline slightly about 1900. Previous to this, although there had been a decrease in the fecundity in the cities, the rate in the rural districts had not fallen off. At the same time the age of the women at marriage seems to be growing slightly younger. Since the births are not tabulated according to the ages of the mothers in Germany it is impossible to determine whether there has been a decrease in the fecundity in the higher age groups.

ROSSITER, W. S. *Pressure of population*. Atlantic, Dec., 1911.

The population of the world before 1000 was comparatively small. Since then the barriers to increase imposed by nature have been largely overcome and the result has been a tremendous increase. An increasing proportion of the population are living in cities. City life is poorly adapted to the large home with the numerous family; hence artificial checks to increase are introduced. Will the population of the future be as sturdy when the limitations to increase are self-imposed as when by natural selection only the strongest survive?

SCHULTZE, E. *Stimmungsschwankungen gegenüber Japanern und Chinesen in Nordamerika*. Zeitschr. f. Socialw., Oct. 4, 1911.

An attempt to explain the reason for the antipathy of the inhabitants of the western states in this country against the Chinese and Japanese. The author considers this very largely due to differences in race, and feels that the necessity of this part of the country for farm laborers will, in time, cause this race hatred to disappear. The attitude of the Canadians to the laborers from India also considered.

SHERWOOD, H. F. *Ebb and flow of the immigration tide*. Rev. of Rev., Dec., 1911.

A study of the extent to which the stream of migratory labor adapts itself to the varying economic conditions in the United States. Since the author traveled with the United States Immigration Commission when it visited Europe, he has had an excellent opportunity to study this subject at first hand.

SILBERMANN, J. *Die erwerbstätigen Frauen Deutschlands nach Familienstand und Alter. I.* Zeitschr. f. Socialw., Nov., 1911.

The effect of female labor to displace male workers in Germany. In the first article a study is made of the women engaged in agriculture, gardening, fishing and industry.

SILBERMANN, J. *Die erwerbstätigen Frauen Deutschlands nach Familienstand und Alter. II.* Zeitschr. f. Socialw., Dec., 1911.

In the second article, women engaged in trade, hotels, transportation, and domestic service are considered. Each class is studied according to age and marital condition and at the same time their distribution in 1895 and 1907 is considered.

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Hambourg, port d'émigration vers les Amériques. Monde Econ., June 10, 1911.

Dødelighed i Forhold til Fodselens Nummer i Afteskabet. Nat. ök. Tids., Sept.-Oct., 1911.

Mortality according to the order of birth in wedlock. Lucien March, chief statistician in France, after making investigations in 300,000 French families comes to the conclusion that mortality increases progressively from the first-born down.

## Housing

(Abstracts by James Ford)

CHURTON, A. *Rural housing, the present situation.* Charity Organ Rev., Dec., 1911.

A study of the house famine in rural England and its causes. The customary low wages of agricultural labor, stringent legislation, rising cost of building labor and materials render it impossible for landlords to build new cottages at a profit. The Housing Act of 1909 has made it possible for rural district councils to borrow money for municipal erection of cottages on long terms and easy interest. This practice is rapidly increasing but questions of rents and costs are serious.

CIOFFI, G. *Il problema delle abitazioni popolari.* Riv. Internazionale, Sept., 1911.

Municipal interference in housing justified by the example of Venice.

CLARKE, C. *Architectural methods for fire prevention.* Survey, Nov. 18, 1911.

Explaining "simple and effective methods that will make what will in fact be a compartment building, which shall have fireproof division walls, and fire-steps at every story, so as effectively to prevent the flames and smoke from spreading beyond the story in which the fire begins." The practices are largely compulsory in Berlin and Paris.

ENGLAND, W. C. *The lodging house*. Survey, Dec. 2, 1911.

Description of unsanitary conditions found in sixty lodging-houses of Chicago. "The lodging-house left to itself is breeding vice, crime, poverty, sickness and death." "The community has the right to demand from the landlord a fixed minimum amount of cleanliness, sanitation, and air space per lodger."

GRIFFITH-BOSCAWEN, A. *The crying need of housing reform*. Nat. Rev., Nov., 1911.

Finds tuberculosis and "hooliganism" caused by slums. Examines accomplishment under Parts I, II and III of the English Housing Act. "Decent housing of the people is a national question." The state should appoint housing commissioners to consult with local authorities and coöperate with them in carrying out housing schemes. Less should be paid to owners for slum property: full value should be paid for site, but structure may be valued at cost minus depreciation for age and disrepair. Municipalities should not be forced to rehouse displaced population on the original site but should house them in suburbs and have right to build for upper classes as well as workmen.

KNOWLES, M. *Water and waste, the sanitary problems of a modern industrial district*. Survey, Jan. 6, 1912.

The sanitary condition of Greater Birmingham, Ala., and surrounding mining villages in 1911 "as affected by the water supply, the sewerage system and the disposal of other wastes." This article, as well as Graham Taylor's "Birmingham's civic front" and W. M. McGrath's "Conservation of health" in the same issue of the "Survey," describes housing conditions in the Birmingham industrial district and offers recommendations for improvement.

PRANARD, C. *Coöperation as applied to home purposes in Europe*. Am. Building Assoc. News, Sept., 1911.

Germany lacks building loan associations of the American type but has (1) coöperative societies that build cottages to be acquired by tenant members on easy installments, and (2) coöperative tenements which are permanent collective property of tenant members. Both types borrow money cheaply from old-age and invalidity organizations. In Austria the movement is not coöperative. Belgium has a few co-operative building loan associations discriminated against by the law. In France, coöperative societies for building cheap cottages have recently advanced notably in number and importance. England has over 1600 building loan associations of the American type as well as copartnership tenants societies for collective ownership of suburban estates. America has the most highly developed building loan system, due, probably, to higher class of workmen, who prefer independent choice of home rather than stereotyped collective houses.

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*Housing reform in Hungary*. Survey, Dec. 16, 1911.

Description of state aid in erection of cottages for agricultural laborers. Cottages cost \$155 to \$310, redeemed by annual payment

of \$12 to \$20, extending over 20 to 30 years. In one year 10,943 cottages were built in Hungary under the provisions of this act.

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*Lösung der Arbeiterwohnungsfrage durch Aktienbaugesellschaften?* Zeitschr. f. Kommunalw. u. Kommunalpol., Dec. 1, 1911.

The chamber of commerce of Düsseldorf, at the instigation of the mayor, has published a report upon "Fürsorge für den Bau von Kleinwohnungen in Düsseldorf," written by Dr. Brandt. Intensive study was made of the work of joint-stock companies engaged in the building of workmen's dwellings in Aachen, M. Gladbach, Rheydt, Barmen and Frankfurt a. M. They find it is not possible to dispense with tenement housing when land speculation is common. They also discover that none of the building companies do without governmental subsidization. They urge for Düsseldorf a large-scale joint-stock company to enjoy, through the municipality, reduced taxes, cheap or free land, and large second mortgages.

### Statistics

(Abstracts by A. A. Young)

BAINES, J. A. *Census notes*. Journ. Royal Statist. Soc., July, 1911.

Discusses the available returns of various censuses taken in 1910 and 1911 with special reference to such general aspects as rates of increase of population, density, proportion of the sexes, etc.

BAINES, J. A. *Under the Crown*. Journ. Royal Statist. Soc., July, 1911.

A highly condensed but illuminating survey of the expansion of the British Empire since 1841, read before the Royal Statistical Society at the occasion of the meeting of the statisticians of the British Empire at the Imperial Conference. Some statisticians may be interested in the description of various calculating machines exhibited on this occasion, printed in the same number of the "Journal."

BILLBERG, C. *Om den officiella statistikens allmänna organisation och statistiska kommitténs betänkande*. Ek. Tidskr., May, 1911.

The author discusses at length the plan for centralizing the administration of statistics, proposed by a special royal committee on statistics, which completed its report last September.

BOWLEY, A. L. *The measurement of the accuracy of an average*. Journ. Royal Statist. Soc., Dec., 1911.

A revision and extension of the analysis of the subject by the author in the same "Journal" for December, 1897. Deals with the precision of weighted and unweighted averages and with the ratio of two averages. Mathematical.

COHN, E. *Höstudsigter og Høstudbytte i Danmark*. Nat. øk. Tids., Nov.-Dec., 1911.

A contribution to crop forecasting based on Danish statistics, 1875-1909, as to temperature, precipitation and crops. The author compares his crop forecasts for 1910 and 1911 with those of the International Institute of Agriculture.



EDWARDS, A. M. *Classification of occupations*. Quart. Pub. Am. Stat. Assoc., June, 1911.

Reviews occupation classifications used in the censuses of this and other countries. Urges the importance of emphasizing the occupation itself rather than the character of the product to which the worker contributes. Presents a tentative classification for the statistics gathered by the census of 1910 in which the industrial grouping used in previous censuses is retained in a modified form in connection with a more detailed and thorough-going classification of occupations within each industry.

HOOKE, R. H. *The course of prices at home and abroad, 1890-1910*. Journ. Royal Statist. Soc., Dec., 1911.

A careful comparison of price movements in different countries, more particularly in the United Kingdom, France, Germany, the United States and Canada. The author constructs a new index number for German wholesale prices, on the basis of the quotations published in the *Vierteljahrsheft des deutschen Reich*. The article includes studies of the movement of the prices of food materials, of retail prices and wages, of periodic oscillations, and of the effects of the increased supply of gold.

A. J. *Et ökonomisk Barometer*. Nat. ök 'tids., July-Aug., 1911.

Describes the attempt of Armand Julien, a Belgian, to construct a universal "barometer" to measure economic movements and fluctuations. The "barometer" is a sort of index number based on demographic and moral as well as economic data. The author notes this as a statistical experiment of considerable importance.

MARCH, L. *Le mouvement des prix et l'activité productrice*. Bull. de la Stat. Générale de la France, Oct., 1911.

A rather disappointing treatment of a promising subject. There are some interesting diagrams, however, and the article should be of service as a convenient compilation of scattered material, especially for the prices and amounts of production, in different countries, of several important commodities.

MORRISON, G. B. *Age and unemployment*. Journ. Royal Statist. Soc., July, 1911.

English statistics, drawn from several sources, confirm the general impression that unemployment is a concomitant of advancing age.

SNOW, E. C. *Estimates of population*. Journ. Royal Statist. Soc., June, 1911.

The "method of multiple correlation" (described in the "Journal" for May, 1911) is tested by estimating the 1911 population of selected local districts. Of the various correlated variables, only the statistics of births and deaths were used as data, and the results (checked by the 1911 census) seem to be only fairly successful.

VECCHI, M. *Intorno a un teorema sulla applicazione delle medie statistiche*. Giorn. d. Econ., May, 1911.

Del Vecchio's criticism of Messedaglia, as to the averages of statistical series, is unfounded.

## NOTES

There is included in this number of the REVIEW the title page and table of contents for Volume I of the AMERICAN ECONOMIC REVIEW.

The membership of the American Economic Association on January 26, 1912, was 2446 as compared with 2200 on November 1, 1911.

At the recent meeting of the American Economic Association, Professor Irving Fisher, at a Round Table conference, proposed the establishment of an International Commission on the Cost of Living. His brief address and the remarks of those who took part in the discussion will be found in the *Proceedings*, which are published as a supplement. Those who may be interested in some form of organized action whereby a commission for the study of this question may be established, are requested to examine this discussion as soon as possible in order that effective measures may be taken if it seems advisable.

At the meeting of the American Economic Association, held in Washington, December 27-30, it was voted to raise the annual membership fee from \$3 to \$5 (not, however, to go into effect until the year 1913), and to increase the life membership fee from \$50 to \$100. The reason for this move is the fact that the \$3 fee is not sufficient to pay the expenses under the present publication policy. There is a fixed charge of a considerable amount required to provide for the routine work of the Association including the office and annual meetings, irrespective of the number of members. By raising the membership fee to \$5, there will be available a much larger proportion to put into publications. It seemed to the Association wiser to increase the membership fee than to reduce the publications. From the standpoint of the individual member, he will get more per dollar when he pays the \$5 than he would if he paid only \$3.

T. N. CARVER, *Secretary*.

NEW YORK STATE CONFERENCE ON TAXATION. A second state conference on taxation was held in Buffalo, New York, January 9-11, 1912. In general it followed the plan of organization and discussion adopted for the first conference held at Utica last year. The attendance was larger and there was a more general participation in the discussions. Many of the delegates were state and local officials whose duties relate to the assessment or collection of taxes; and others represented local boards of trade and state-wide organizations interested in

taxation, so that the subjects discussed were considered from the taxpayer's viewpoint as well as from the administrative side. In order that the economists' views might be presented, the universities were also invited, but only two responded, Cornell and New York University. There were also present state tax officials and members of investigating commissions from several other states.

The chief topic of discussion was the improvement of local assessment methods and the securing of changes in the laws relating to assessment and collection of taxes, which, in New York, are far behind those of many other states. Among the resolutions of general interest was one recommending such a revision of the tax law as would prevent the double taxation of property of individuals or corporations doing business in more than one state, following the example set by the inheritance tax law amendments of last year, which abolished double taxation on the property of non-residents. Another resolution, passed after a spirited discussion by a vote of 61 to 17, advocated a law compelling the true consideration paid for real estate to be either stated in the deed or given separately in an affidavit to be filed with the local assessor. The third conference will be held at Binghamton, January, 1913.

These state conferences have been modeled upon the plan of the National Tax Conference. Their purpose is to secure the discussion of taxation and assessment methods by those directly concerned, either as administrators or taxpayers. The attendance at both state conferences has been thoroughly representative of all sections of the state, and most of those present have come from the smaller cities and rural districts. Indeed the country districts have shown more interest than the cities. This is in part due to the fact that more progress has been made in the cities towards better assessment and in administration generally, and therefore these problems are not so acute. Nevertheless, it is encouraging to see that the smaller taxing districts are taking such an interest in improving administration, for this is a great help in securing legislative action. Unfortunately, the statutes in New York, as in many other states, enter into minute detail in matters of administration, leaving little to the discretion of the local governments. Therefore little progress can be made in any locality without securing either authority from the legislature, or a general change in the law.

A. C. PLYDELL.

vene early in June, 1912, at Philadelphia. This is the successor of eleven others held, since 1885, at various European cities—Brussels, Vienna, Frankfort, Manchester, Paris, The Hague, Dusseldorf, Milan and St. Petersburg. Since 1898 it has covered, within the range of its discussions, both inland and maritime navigation; and since that date it has been a permanent and continuing institution, supported by the general governments of about forty countries and by a large number of commercial associations and permanent private members. Its principal office is at Brussels. The executive committee resides there, and the Permanent Commission, composed of delegates of the supporting governments, meets annually to direct its operations.

The congress has never been held in the United States, but its convening here is now made possible by the joint action of the United States Congress and the legislature of Pennsylvania, which have respectively appropriated \$50,000 and \$25,000.

These congresses have had a most important influence in promoting the best methods of construction and operation of inland and maritime navigation works and methods in all countries. Selected subjects of practical importance are reviewed in advance, translations in English, French and German disseminated, and only conclusions discussed and voted on at the congress. In this way the views of the best engineering and navigation experts are obtained. There are indications of a large attendance at the forthcoming congress, not only from this country but from many others. No time could be more useful to this country than the present, for the interest in all inland and maritime works was never greater, as evidenced by the interior waterway project from Boston to Florida, the Barge canals of New York, the Lakes to the Gulf waterway, the Panama canal, the important question of ocean terminals.

Among the questions to be discussed will be, the improvement of rivers by regulation, dredging and reservoirs, the dimensions to be given inland and maritime canals and their best equipment and the question of terminals, relations between transportation by water and rail, method of docking and repairing vessels, and the mechanical equipment of ports.

Further information may be had by addressing the Local Organizing Commission, 344-351 The Bourse, Philadelphia.

**THE NATIONAL CIVIC FEDERATION INVESTIGATION OF THE CONTROL OF PUBLIC SERVICE CORPORATIONS.** The National Civic Federation,

encouraged by the striking success a few years ago of the investigation into the relative merits of public and private ownership of public utilities, is about to undertake a second investigation of a somewhat similar nature. Assuming that for a long time to come these industries will, for the most part, remain in the hands of private owners, and without going into the question of the form of ownership, the Federation will now undertake to investigate and report upon the history, status, methods and results of control of public service corporations in the United States and compare the American and English manner of dealing with the same industries. The method of organizing the investigation (in the absence of a strong government which takes the lead in such matters as on the continent of Europe) was to summon a large conference of students, operators and others supposed to have special knowledge of the field under consideration. Such a gathering of almost one hundred persons was held in New York in June. After considering the problem for two days, the meeting voted that such an investigation would be timely and should be made by the National Civic Federation, and recommended that the president of the Federation appoint an executive committee of nine, with full power to determine the method and scope and to organize and conduct an examination. Although the plans are not yet complete, an executive committee was appointed in June, consisting of: Emerson McMillin, chairman, Franklin Q. Brown, Martin S. Decker, Franklin K. Lane, Blewett Lee, Milo B. Maltbie, P. H. Morrissey, Leo S. Rowe, John H. Gray, secretary. This committee has held several meetings and has made tentative plans for the work.

Professor Gray of the University of Minnesota, on leave of absence for the purpose, has been appointed director of the investigation, and William D. Kerr of the Chicago bar has been appointed to assist him at the head office. The preliminary plans of the committee call for a report upon the control of interstate commerce and the telephone industry, and upon state control in typical jurisdictions. To begin with, the control of railroads and of local public utilities in the four states, Massachusetts, New York, Wisconsin and Texas, will be studied. The committee will probably include in the investigation some of the more typical instances of local utilities under the control of local commissions, such as the street car industry in Chicago, the public utilities of St. Louis, Kansas City, Toronto and Los Angeles. While the actual work of the investigation will be done for pay by investigators who devote their whole time to it, a large number of subcommittees, in-

cluding a large number of men with both practical and theoretical knowledge of certain phases of the matters to be investigated, have been organized. In this way the Federation hopes to concentrate the work of planning and conducting the investigation, thus assuring its scientific character, at the same time being able to profit largely by the great mass of information in possession of operators and others. The subcommittees meet from time to time, gather such information as they can, report their conclusions and suggestions to the executive committee for their consideration. Large subcommittees have been appointed on finance, service, rates, franchises, securities, safety of operation and reports and accounts.

The National Civic Federation, being a voluntary organization, depends entirely upon voluntary contributions for its support and when it undertakes a large special investigation such as this, raises for this purpose a special fund which is kept entirely apart from all other resources. The earlier investigation, on Public and Private Ownership cost about \$100,000.

An important meeting in which economists of the country may well find themselves interested was that of the American Farm Management Association, held at Columbus, Ohio, November 14-15, 1911. At this meeting, attended by some forty specialists engaged in teaching the branch of economics which relates to the economic principles underlying the organization and operation of farms, much emphasis was laid upon the need of developing this side of educational training. The subject, however, has been seriously neglected. Economists have found great enterprises, such as railways, insurance, and manufactures, more attractive subjects of study. It is true that few economists know enough about agriculture to deal intelligently with the economic questions which confront the farmer, and for this, it may be, they are not to blame. A great number of trained economists are needed today in the agricultural colleges of the country, and they are not to be found. A suggestion was made at this meeting that the Farm Management Association might well consider the desirability of meeting with the American Economic Association. This was received with favor. The latter organization would do well to extend an invitation to the Farm Management Association and participate in a joint session. Some of the results of the statistical and accounting work done by the latter are worthy the attention of American economists.

H. C. TAYLOR.

As a result of the growing, widespread interest in the study and development of business efficiency there is being organized in New York a Society for Promoting Efficiency. An organization committee of 120 members has been formed, which has issued a circular letter calling attention to the objects which can be accomplished by the proposed society. The membership of the organizing committee represents business executives, educators, economists, and publicists. James G. Cannon, president of the Fourth National Bank of New York, is chairman, and H. F. J. Porter is secretary. Although the society has its home in New York it is national in its scope and has already interested a large number of persons in different parts of the country.

At the meeting of the International Statistical Institute at The Hague in September last, a commission was appointed to consider the government crop reports, in order to secure international unity in nomenclature and in methods of making the estimates. This commission consists of Messrs. Bodio (Italy), Craigie (Great-Britain), Ely (United States), Evert (Germany), De Lannoy (Belgium), R. G. Levy (France), L. March (France), Mischler (Austria), Verijn Stuart (Netherlands). Another commission was appointed upon unemployment, of which Messrs. H. Denis (Belgium), L. March (France), v. Mayr (Germany), Methorst (Netherlands), and Neill (United States) are members.

The Royal Economic Society held an economic congress on January 10-11, for the consideration of two questions: "The financial relations of Great Britain and Ireland" and "The state in relation to railways." A paper by Professor E. R. Dewsnup of the University of Illinois was presented on the latter subject. The proceedings of the congress are to be published.

The third Congrès International des Classes Moyens was held in Munich, September 28-30, 1911, under the presidency of Professor von Mayr. An account of the proceedings may be found in "La Musée Sociale Mémoires et Documents, Supplement," for December, 1911 (Rousseau, 14 Rue Soufflot, Paris).

The twelfth annual meeting of the National Civic Federation will be held in Washington, March 5-7, 1912. The general subject for discussion will be "Industrial peace and progress." The relation of employer to employee will be considered from three standpoints: the private employer to his employees; the public utility company to its employees; the government to its employees.

The thirty-ninth conference of the National Conference of Charities and Correction will be held in Cleveland, Ohio, June 12-19, 1912.

An International Hygiene and Maritime Exposition will be held in Genoa from October, 1912 to July, 1913. Information may be obtained by addressing the Comitato Esecutivo della Esposizione Internazionale di Marina e di Igiene, Piazza Corvetto No. 1, Genoa.

Professor J. L. Gillin of the State University of Iowa is making an investigation into the conditions in the county homes or poor houses of Iowa. At the State Conference of Charities and Correction recently held in Iowa City he made a report, as chairman of the Committee on the Scientific Study of Social Problems, based upon a preliminary study of these institutions in that state. On the basis of findings in this preliminary survey, Professor Gillin recommended that a change be made in the method of caring for the indoor poor. The present method of the county home is wasteful from the economic side, and makes easy the growth of conditions which are a disgrace to civilization. He therefore urged that instead of the county unit of the present system, the state adopt a plan of consolidation of the county homes so that there shall be not more than perhaps a half dozen such institutions in the state, which shall be put under state control. Professor Gillin will continue this investigation under the auspices of the Iowa Historical Society, and will publish his findings in a volume of the new *Economic Series* of that society.

Professor Gillin also proposes that a study of the social conditions in the smaller communities of the state should be made; he believes that the conditions in the small towns and rural communities are of much more importance in the solution of the social problems of the present day than social students have been wont to recognize. He proposes that the state university and the colleges of the state shall put their advanced students in economics and sociology at work under trained direction to investigate social and economic conditions in the smaller communities. This proposal has met with unexpected approval both on the part of the teachers in the colleges and also from business and professional men throughout the state, which augurs well for public sentiment on practical economic and social problems in Iowa. The newspapers in a number of communities have taken the matter up also with much more interest than was to be anticipated.

The awards for the Hart Schaffner & Marx prizes for 1911 have been announced as follows: In Class A: First prize of \$1000, to Harold



G. Moulton, *Waterways versus Railways*; Second prize of \$500, to Harrison H. Brace, *Value of Organized Speculation*; and Honorable Mention to DeWitt C. Poole, Jr., *Is the American Cotton Monopoly Secure?* In Class B: First prize of \$300, to Homer B. Vanderblue, *Railroad Valuation*. No second prize was awarded.

The Woman's Educational and Industrial Union, Boston, announce three fellowships and four studentships in economic research to be offered to women who are desirous of preparing themselves for active service in social and economic work. Further information may be had of Miss Susan M. Kingsbury, 226 Boylston St., Boston.

The University of Wisconsin in connection with the state government has established a department of working fellowships, the holders of which give half time to various state commissions, thus combining practical experience with academic work in the university. Such co-operation has been made with the Public Utilities Commission and the State Insurance Department.

Under the title "European Commerce and Industry—A Tour," the Alexander Hamilton Institute of New York and the Bureau of University Travel of Boston announce a two-months' trip next July and August through England, Belgium, Germany, Switzerland and France. The primary purpose of the trip is to visit plants and offices and to hold a large number of conferences on such subjects as welfare work, industrial education, textile industries, methods of wage payment, accounting methods, municipal ownership and taxation, export trade, advertising and selling, transportation and banking methods. The leaders of the party are Professors Clapp and Galloway, of the New York University School of Commerce, Accounts and Finance.

The formation is announced of the Deutsche Statistische Gesellschaft as a branch of the Deutsche Gesellschaft für Soziologie, under the presidency of Professor Georg von Mayr. The secretary of the society is Dr. Würtzburger, of Dresden.

There have been established in Switzerland, in 1911, two institutions for promoting economic history. Das Schweizerische Wirtschaftsarchiv, at Basel, has for its aim the collecting of manuscript and books bearing upon the beginnings, evolution and establishment of economic life in Switzerland. Das Archiv für Handel und Industrie der Schweiz, at Zurich, proposes the bringing together of all sources which would be of service to a student of the economic life of Switzerland.

Moffat Yard & Co., in conjunction with Cassell & Co., announce the publication of a series of small books on social problems entitled, "New Tracts for the Times." Among these will be *The Declining Birth-rate, its National and International Significance*, by A. News-holme and *Modern Industrialism and Race-Generation*, by F. G. Waterman. Other volumes deal with different aspects of race generation.

The Macmillan Company announce the early publication of *Elements of Statistical Method*, by W. I. King, of the University of Wisconsin; and *Manual of Statistics*, by the late Sir Robert Giffen.

Messrs. Doig, Wilson and Wheatley, of Edinburgh, Scotland, have published a photogravure reproduction of a portrait in oils of Adam Smith, at a price of 1£, 1s. The original is believed to be the only oil portrait of Smith extant.

Catalogue of second-hand books on economic subjects have been received from J. Schweitzer Sortiment, Munich (No. 55); Heinrich Kerler, Ulm a. D. (Nos. 398-398a); Joseph Bauer & Co., Frankfurt, a. M. (Nos. 590-595). The latter represents the library of the late Professor Hanssen, Göttingen.

Paul Geuthner (68 rue Mazarine, Paris) has issued a new catalogue (No. 46) of second-hand books relating to money, finance, commerce and transportation.

There will shortly appear the second edition of a work entitled *The Social Evil*, under the editorship of Professor Seligman who adds a third part.

The University of Michigan published last summer the *Principles of Economics*, by Professor F. M. Taylor. For a few years the book will be used experimentally in the elementary classes at that university before it is finally revised and issued for general circulation.

Professor Clark's work on *Essentials of Economic Theory* has recently been translated into German and French.

The editors of the "Yale Review" have prepared an alphabetical index of the nineteen volumes between 1892 and 1911. There are three parts: (1) an author's index of articles; (2) a subject index of articles; (3) an index of publications reviewed. The price is \$1.00. Orders may be sent to the Yale Publishing Company, 155 Elm Street, New Haven, Conn.

Announcement is made of the publication of a new periodical, "Rus-

sian Review," a quarterly devoted to Russian politics, economics and literature, under the auspices of the Society of Russian Studies in the University of Liverpool (London, Thomas Nelson & Sons, 10s.). In the first number are articles on local financial reform in Russia, the new land settlement in Russia, and recent financial and trade policy in Russia.

The "Bulletin de la Statistique Générale de la France" (Paris, Librairie Félix Alcan) is a new quarterly publication, the first number having appeared in October, 1911. The late Professor E. Levasseur, as president of the Conseil de la Statistique Générale, had urged that such a publication be undertaken, and the first number of the new periodical follows very closely the lines suggested by him. The latest statistics furnished by the different permanent statistical bureaus of France are presented more promptly and in more condensed form than in the *Annuaire Statistique*, and comparisons with the latest available statistics of other countries are introduced. Under the head of *Comptes rendus* the results of important special statistical investigations in France and elsewhere are abstracted. For example, one finds in this first number abstracts of the results of the important inquiry into the fecundity of French families instituted in connection with the census of 1906; of the recent special report of the "Statistique Générale" upon wages and cost of living in France up to 1910; and of the investigation by the German Imperial Statistical Office of the budgets of families with moderate incomes, as well as the results of other investigations. The "Bulletin" makes a beginning in the publication of French municipal statistics, which, except for Paris, are as yet in a relatively undeveloped condition. There is also a calendar of recent laws and ordinances affecting statistical activities or results, and special articles on statistical topics are to be printed from time to time. The "Bulletin" promises to be one of great service to any who wish to keep abreast of current statistical activities.

A. A. Y.

Mr. J. M. Keynes, son of Dr. J. N. Keynes, author of *Scope and Method of Political Economy*, has been made editor of the "Economic Journal" (London). Professor Edgeworth still retains his interest as a member of a newly created editorial board. Other members of the board are, Professors Ashley, Cannan, and Chapman.

At a meeting of the council of the Royal Economic Society, held October 4, 1911, a resolution was adopted in appreciation of Professor Edgeworth's long editorial service: "They feel that his scrupulous

impartiality, his unremitting zeal, and his wide knowledge has been in an especial measure responsible for securing for the Journal the high place which it has taken throughout the economic world, and that the Royal Economic Society has been placed under a deep and lasting obligation by the courtesy and prudence which he has known so well how to combine."

### *Appointments and Resignations*

Mr. Lee Bidgood has been appointed adjunct professor of political economy at the University of Virginia.

At a recent meeting of the Florida Conference of Correction and Charities, President William F. Blackman, of Rollins University, was elected president.

Mr. Robert A. Campbell, formerly librarian of the Legislative Reference Library of California, has been appointed secretary of the Wisconsin Public Affairs Commission.

Assistant Professor John Lee Coulter, of the University of Minnesota, has resigned his position to continue his work on the United States census.

Professor Fred R. Fairchild, of Yale University, has been appointed by the governor of Connecticut as a member of a state commission to investigate the taxation of railroads and other corporations and to recommend legislation to the legislature which meets in January, 1913.

The term of Professor Willard C. Fisher as mayor of Middletown, Connecticut, expired in January.

Mr. Charles Elmer Gehlke has been appointed instructor in sociology at Western Reserve University, Cleveland, Ohio.

The death is announced of Nichols Paine Gilman, professor of sociology at Meadville Theological Seminary.

Professor John H. Gray, of the University of Minnesota, has been granted leave of absence from the university for the second half of the current academic year, to become director of the investigation into the regulation of interstate and local public utilities for the National Civic Federation of New York.

Mr. Edwin Gruhl, chief statistician of the Wisconsin Railway Commission, is giving a course on public utilities in the University of Wisconsin during the current year.

Dr. Thomas E. Harris has been appointed professor of political economy at the South Dakota Wesleyan University.

Dr. R. H. Hess, formerly of the University of Minnesota, has been made assistant professor of political economy at the University of Wisconsin.

Mr. Warren F. Hickernell, formerly special agent of the Immigration Commission and of the Bureau of the Census, has recently made an engagement as editor with the Brookmire Economic Chart Company of St. Louis.

Professor J. W. Jenks will resume his teaching at Cornell University in February, after a year and a half leave of absence.

Alvin S. Johnson, at present head of the department of economics at Stanford University, has been appointed professor of economics and distribution at Cornell University to take the place recently left vacant by the resignation of Professor Frank A. Fetter.

Dean Joseph French Johnson, of the New York University School of Commerce, Accounts and Finance, is one of the members of the Mayor's Tax Commission in New York City, which is now discussing the best methods of taxation for use in a municipality.

Mr. W. D. Kerr, instructor in transportation in the Northwestern University School of Commerce, has been selected as the general expert assistant to John H. Gray, director of the Civic Federation investigation of public utilities.

Miss Neilson, professor of history at Mount Holyoke College, has been granted leave of absence for the second semester of the current year. She expects to go to Oxford to edit a manuscript on legal and economic conditions in mediaeval England.

Professor W. Z. Ripley has been made Nathaniel Ropes Professor of Political Economy at Harvard University.

Mr. D. R. Scott has been appointed instructor in the University of Michigan.

Dr. Horace Secrist has been appointed statistician to the Wisconsin State Industrial Commission.

Professor Seligman expects to be absent in Europe during the next academic year, 1912-1913. He proposes during that time to complete his work on the *Science of Finance*, and to make further researches for his *History of Economics* which is to be completed in four or five volumes.

Mr. Charles E. Strangeland, recently of the Bureau of Corporations, has been appointed secretary of the American Legation at La Paz, Bolivia.

Dr. George W. Stevens has been appointed professor of political economy at the University of Maine.

Assistant Professor C. W. Thompson, of the University of Minnesota, has been appointed director of the new Bureau of Agricultural Research established in the Agricultural College of that University. The object of this bureau is to make special investigations into the history, conditions and defects of marketing agricultural products.

L. H. D. Weld, Ph.D., formerly of the Census Bureau, has been appointed a lecturer in the New York University School of Commerce, Accounts and Finance. He will give a course on the tariff.



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## THE REPORT OF THE TARIFF BOARD ON WOOL AND WOOLENS

THE Tariff Board Report on Wool and Woolens fills four volumes, 1200 pages in all. It contains a mass of valuable information. Even those who have followed the previous literature on the subject, official and unofficial, cannot fail to find here new and helpful material. Whatever be the serviceability of the report toward settling legislation, its usefulness to the honest-minded inquirer cannot be doubted.

The matter of the report divides itself into two parts, one on wool, the other on the manufactures of wool. The former of these is distinctly more satisfactory than the latter. The passages on wool are well arranged, well put together, well indexed, well summarized. Those on woolens have much more the appearance of being thrown together with some haste,<sup>1</sup> and it is not easy to make out what the results finally come to. The less satisfactory character of the report as regards woolens is probably due to haste in preparation. It was long obvious that the Administration desired to present to Congress a specimen of the kind of work which the Tariff Board was doing. There was pressure to have at least one important report ready early in the session of Congress, and the Tariff Board doubtless was called upon to show its hand before it was ready.

In the report on wool, as in all of the inquiries of the Tariff Board, costs of production in the United States and in foreign countries figure largely. The theory on which the Board was set to work has been that "scientific" tariff revision should rest upon ascertained differences between cost in the United States and in foreign countries. An investigation of this sort, however, in the

<sup>1</sup>There are in the last volume, for example, over one hundred continuous pages of statistics on the efficiency of weavers, which are nothing more than raw material on which a report might be based.



case of commodities of the extractive group, is beset by difficulties, obvious enough to the economist. Costs vary according to the nature of the sources of supply. Some localities have advantages over others, some produce more cheaply than others. Which cost shall be taken as decisive or representative, the highest or lowest? In the case of wool this difficulty is increased by further complications. Wool is a joint product with mutton, and wool and mutton together are often joint products of general farming. How disentangle a separate cost of wool?

The mode in which the Tariff Board has grappled with the problem is instructive; and it seems to me to have been well chosen. "Cost" of wool is reckoned by first ascertaining the total flock cost—that is, the expenses directly incurred by the farmer for his sheep in the way of food, care, shelter. The Tariff Board has wisely disregarded the land in reckoning this cost. In the statements presented at hearings before congressional committees, interest on the value of the land is usually reckoned, not only with regard to wool but with regard to wheat and other staples, as part of the cost of production of agricultural produce. Whether or not influenced by considerations of economic theory, the Tariff Board has thrown out this item, without stopping to consider niceties about the significance of rent on land. The direct cost alone is considered. From this direct cost there are deducted all receipts from other sources than wool; that is, mainly the mutton receipts. The difference is then taken to represent the separate cost of the wool.<sup>2</sup>

The cost of wool thus ascertained shows extraordinary divergences in different parts of the United States. Three great regions are distinguished and for these the following general results are stated:

	Number of sheep	Cost of wool
1. The region of general farming, extending from the Missouri River eastward over almost the whole of the country .....	10,000,000	<i>nil</i>
2. The territory or range region.....	35,000,000	11 cents
3. Ohio region .....	5,000,000	19 "

<sup>2</sup>The reader interested in economic theory may compare the procedure with that suggested by Professor Marshall in his *Principles of Economics*, bk. V, ch. 6, section 4, note 2 (p. 388, sixth ed.).

These figures of "cost," as the Board emphasizes, are of a very rough sort, indicating the general situation in the several regions. They are averages. Within each region there are great differences. Even if these be neglected, the general figures indicate how extraordinarily diverse are the conditions in different parts of the country.

In the first region, that of "general farming," the conclusion that the cost of wool is *nil* means simply that the direct expenses of farmers on account of their sheep are met usually by the receipts from mutton. Sheep are kept in small numbers on each farm; their keep costs very little; they are almost always crossbreds—that is, of the breeds yielding good lamb and mutton. Even what the farmer gets from the mutton is usually so much net gain. Certainly what he gets for the wool cannot be said to cost him anything. In other words, in this region sheep-raising and wool-growing would be maintained irrespective of any duty upon wool. Abolition of the duty would mean, at the most, that even more attention than at present would be given to the mutton-yielding breeds of sheep.

In the territory region, where much the largest part of the wool-growing takes place, the situation is different. Within that region there are again greatly varying conditions. The Tariff Board divides it into three sub-regions: a Southwestern district, including Texas, Arizona, New Mexico, and the like; a California district; and a Northwestern district, including Idaho, Washington, Oregon, and the rest of the Northwestern states. These three districts, however, can be reduced to two; the southern part of California is similar to the first of them, the northern to the third. In the first the conditions seem to have much similarity to those in Australia. The climate is mild; no winter shelter is needed. The meagre precipitation, which imposes an obstacle to cattle raising, presents none so serious to sheep-growing. The sheep are mostly of Merino breed, hardy and easily herded. They are kept chiefly for wool. Doubtless cost of production is lower here than in any part of the United States, and very likely as low as in competing foreign countries. In the Northwest, on the other hand, the climatic factors influence both the expense of wool-growing and the character of the flocks. More winter shelter is needed and more harvested crops. There is a tendency to cross-breeds, and mutton is looked to for a considerable part of the revenue, either directly

or by the sale of sheep for fattening in the corn-growing region. Harvested crops are resorted to in considerable degree.

Not less important is the circumstance that wherever settled agriculture is possible, either from sufficient local precipitation or through irrigation, farming treads on the heels of wool-growing. This phenomenon, constant in the economic history of the United States, is now unmistakably to be seen in the West and Northwest. In Texas the number of sheep has declined as the eastern part of the state has been settled by farmers. The same has been the case in those parts of California which have been put under the plow or converted into orchards. It is certain that Washington and Oregon will not long remain important ranching states. Throughout Idaho, Montana, and Wyoming, wherever irrigation or dry farming are possible, the flocks of sheep will pass away. Only in those regions which because of their limited water supply are necessarily pastoral will ranching maintain itself. And even in these, cattle are likely to be more profitable than sheep. This general tendency is showing itself in a steadily increasing "cost of production" for sheep and wool; and it brings it about that within this region itself there are differences in the facilities and profitableness of sheep-raising as great as those in widely separated parts of the United States.

Finally, in third and smallest region of all, we find the highest cost and the most peculiar conditions of production. In eastern Ohio and in near-lying parts of Pennsylvania and West Virginia, and in some parts of Michigan, there is a sort of *enclave* in which sheep-raising seems to be carried on with an approach to obstinacy. Industrially of little consequence, it has been politically of surprising influence; for it long contributed more than any other section of the country toward the maintenance of wool duties and so of the general protective system. Here large flocks of Merino sheep are kept by Ohio farmers on land that is hilly, easily eroded, and not adaptable to the agricultural methods common in the Mississippi Valley. It is true that in some parts of this region the farmers have turned their attention to mutton breeds of sheep and therein have found profit in the same way as other farmers of the central region. But it is not difficult to read between the lines in the Board's noncommittal pages that there is some stolid persistence in old practices, perhaps also some insuperable difficulty in the

way of using the land otherwise.<sup>3</sup> At all events, here we find the highest cost of wool, and on that basis the greatest need for protection.

Such are the facts stated. What light now do the results of the whole investigation throw on the expediency of maintaining the duty on wool, or on the rate of duty which should be levied, if one is to be maintained? I confess that the situation seems to be in no sensible degree cleared up for the legislator. So far as the general expediency of the duty on wool is concerned, he must still reach his conclusion upon general principles. If he thinks that there is something precious in the domestic wool supply, and something portentous in a considerable increase of imports, he must still be in favor of retaining a considerable duty. If he has any such beliefs as are embodied in the young industries argument—if he thinks a duty should be maintained only if it will lead eventually to supply of the entire domestic consumption by domestic producers, at prices not higher than those in foreign countries—then he must give up once for all any hope of attaining the desired end as regards wool. It is proved to the hilt that the possibility of extending the domestic supply, outside of the region of general farm-

\* I quote some passages referring to the "Upper Ohio Valley region":

"Some farms produce lambs that are sold fat after feeding them a greater or less time in the fall and winter. A flock managed in this way returns usually a good amount from its lamb sales, so much that the charge against wool is often entirely met. On such a farm the wool is not considered the chief source of income. Much as in England it is a side product—more important, proportionally, than in England; yet from the fat lambs comes the greater return. It is rare that sheep farms managed skilfully on this system do not show some profit. The question may be asked, Why, then, do not all of the sheep breeders of the Ohio Valley and Michigan follow this system? The answer is that on hill farms especially it is not easy to grow the corn necessary to fatten lambs. Then, the owners of many flocks have not yet learned to adapt their systems of agriculture to this practice; they have long been accustomed to looking to wool for their chief profit from sheep-breeding" (p. 548).

"From the foregoing it seems important for the sheep farmers of the hill regions of Ohio, Pennsylvania, and West Virginia to seek wherever possible to produce fat lambs as an effective means of abating their wool costs. There are, however, certain difficulties, some of them serious, in the way. In much of the region in question the plow is of little use. The hillsides are too steep for cultivation. The land readily erodes, and there is never a surplus of corn nor even always a sufficiency of hay. Before growers here can adopt new methods they must buy corn, and this often at high prices, and as they are not accustomed to speculation, this would not appeal to them" (p. 550).

ing, is negligible. Sheep raising in large herds is certain to become less rather than greater. The retention or increase of the duty may conceivably aid in maintaining the supply at its present figure, but it can bring about no considerable increase. All this, however, was known before. The report simply confirms the conclusion already reached by well-informed inquiries.<sup>4</sup>

For myself, everything I read in the report strengthens the conviction which I have long held and declared, that there is no good ground for maintaining a duty upon wool. But that conclusion rests upon general reasoning with regard to the working of international trade and of protective duties, which may indeed find illustration in the working of our wool duties, but which is neither reached nor confirmed by all such labored investigation. The strength of the wool duty lies not in economic reasoning, but in the inevitable wish of every industry in every part of the country to get its share of what seem to be the benefits of protection. It is absurd for the wheat-growers to protest against the abolition of a wheat duty which is of absolutely no consequence to them. But all the current talk about protection makes them think that they are losing their "share" in the benefits. Even more strongly the wool-growers feel that they are entitled to their "share" of the benefits of protection. Under such circumstances the investigation of the Tariff Board supplies ammunition for either party, but will not enable either to rout the other.

Again, supposing that there is to be a duty on wool, what rate shall be imposed? Shall it be a rate sufficient to protect the obstinate grower of merino wool, or the grower of the Southwest, or the waning pastoral industry of the Northwest? I know no ground upon which one or the other of these costs of production should be accepted as decisive. Here, as elsewhere, if you give a duty high enough to equalize cost of production for the producer having greatest expense, you give more than enough for the one who has less expense. If you give a duty sufficient only for the producer whose expense is least, you reach a free wool basis, and at all events sacrifice some of the producers less advantageously situated.

There remains one subject, however, on which the Board's report states less uncertain conclusions—the mode in which a duty

<sup>4</sup> It has been proved, for example, beyond question in the pages of Professor Wright's *Wool Growing and the Tariff*.

upon wool, if levied at all, should be assessed. The Board recommends unqualifiedly that any duty should be reckoned hereafter upon the scoured content of the wool. As everyone who has dealt with the subject knows, raw wool varies immensely as regards the impurities which it contains. Some wool loses three fourths or four fifths of its weight in scouring and in preparation for manufacture. Other wool loses but one fifth or one fourth of its weight. The present specific duty of eleven cents a pound upon raw wool necessarily bears more heavily on that which shrinks most in scouring and loses most in manufacture; and it has proved virtually prohibitive of the importation of some grades of wool, especially those which come from the Argentine region. This anomaly has long been recognized; the only question has been on the best mode of readjustment. One remedy is to impose the duty upon an ad valorem basis, the other is to impose it according to the quantity of scoured wool contained in the fleece. Space lacks for entering on a detailed consideration of the merits of these propositions. The scoured basis seems to be not impossible of reasonably accurate application, but is open to the objection that, like any specific duty, it bears with greater relative weight on coarse wools than on fine wools. The ad valorem method avoids this difficulty, but is open to objections of its own. Undervaluation is always tempted and is always hard to control; and a duty by value tends to exaggerate the fluctuations in domestic market prices. Yet it is to be said that both these difficulties become less in proportion as the ad valorem rate is lower; they would be serious with a rate as high as 50 per cent (roughly the equivalent of the present duty), but negligible with one of 10 per cent. The Tariff Board's recommendation of the second method—a duty on scoured basis—bears every evidence of having been reached after careful and unbiased consideration. Either method would be better than the present. But there is only one plan which gets rid of the objections—the good and simple plan of admitting wool free once for all.

With regard to woolens the situation is in one important respect essentially different. Here there would seem to be no inherent difficulty in making comparisons of cost of production. Manufacturing industries we do not usually think of as subject to conditions of *varying cost*. Is it not possible to ascertain with reasonable accuracy the difference between cost of production of woolens *within the country and without the country*?

To this suggestion it has often been answered that we find in manufactures differences of cost no less great than in the extractive industries. Cost is *not* uniform within a country, any more than it is uniform between countries. Some establishments in the United States produce more cheaply than others; do we not encounter here, as with regard to wool, the difficulty of ascertaining which cost of production is to be decisive in regulating tariff rates? The difficulty seems to me not insuperable; yet the method by which it might be most successfully met has not been followed, at least with any consistency, in the Tariff Board's report. To remove it, resort must be made to something like Professor Marshall's device of the "representative firm." Though there be differences in facilities between different establishments in the United States, it is not unreasonable to disregard both those managed with unusual ability and those negligible because backward or still in the early and experimental stage. The device calls, no doubt, for some artificialization of the data: the construction of an imaginary establishment, not perhaps corresponding precisely to any specific business, yet fairly to be regarded as indicative of the normal conditions of the trade. The Tariff Board, however, has not chosen to adopt any method of this kind. Its pages are full of detailed statements of cost, chiefly for establishments in the United States, but for some establishments in European countries also. Yet these inquiries seem never to be brought to a form in which direct and complete comparison is possible, or in which clear-cut results are stated. Possibly this may be due to the fact, already referred to, that the publication of the Board's report was called for before its work had been carried to the final stages. Possibly it may be due to a hesitancy on the Board's part in presenting anything but specific, concrete facts. No doubt there would have been severe criticism of hypothetical or generalized figures. No doubt, also, such figures could indicate only the general trend of the differences between countries. But approximate solutions on matters of this kind are the only ones obtainable. I cannot but believe that legislation on the lines expected from the Tariff Board's report would have been facilitated by statements which, though representative and therefore approximate, were in simple and summary form.

At all events the legislator who is endeavoring to apply the cost of production theory to the revision of the duties on woollens will find it necessary to do much digging of his own into the volumi-

ous pages of the Tariff Board's report. He will find abundant proof that the duties as they stand now are not fixed on the basis of differences in cost of production with any approach to accuracy. But just what duties would conform to these differences, he will not find it easy to make out.

On one important topic, however, a perfectly clear result is reached. It is established beyond question that the compensating system is completely out of gear. In this result I take some personal satisfaction. I have maintained for years that it has been incorrect and in need of complete overhauling. Persons like myself, when making statements of this sort, have been dubbed theorists, ignorant of the actual working of the system. The system itself has been lauded as perfect by those who may be presumed to be most fully conversant with it.<sup>5</sup> The Board's report, however, makes it clear that the compensating duties much more than compensate. Those who have maintained that, in the guise of compensation for the wool duty, the rates on woolens have been higher than they purported to be, find full support. Those who have endorsed the compensating system as it stands and have protested against even the slightest change in it, surely have followed a mistaken policy. It is inevitable that suspicion should attach to the utterances of persons who have persistently contended that things were true which are now proved not to be true. No doubt the fear of the wool-growers and manufacturers that even the slightest change in Schedule K might precipitate the complete collapse of the system, explains their insistence that it was without flaw. None the less, in view of the present unanswerable demonstration that the system needs thorough overhauling, their attitude must be judged to have been impolitic.

On some other subjects also the Tariff Board reaches conclusions that are clear-cut. It establishes the fact that at least in some branches of woollen manufacturing, efficiency is low and cost of production is high in the American mills. Possibly the deficiencies of the American establishments are exaggerated. As one

<sup>5</sup> As late as February, 1911, the president of the American Woolen Company in a public speech maintained that "Schedule K, much maligned, much misunderstood, if properly understood would be the most appreciated of any schedule in the tariff; and if all schedules in the tariff were as scientifically based and as well poised and balanced as Schedule K, it would be the most remarkable document, next to the Constitution of the United States that the human mind has ever produced."



reads these parts of the document, a suspicion arises of an endeavor to make the case strong in favor of the maintenance of high duties. An obvious and sometimes amusing consequence of the protectionist doctrine about cost of production is that a domestic producer is thought to be entitled to higher protection according as his operations are conducted to greatest disadvantage. If his machinery is not of the best, or his operatives are clumsy, or his mill badly located, his cost of production of course becomes high; and on that ground he is entitled to ask for higher duties. There are repeated passages in the report dealing with the disadvantages of the American woolen manufacturer because of his more expensive machinery or his less efficient labor supply. I do not recall a passage in which attention was called to any advantages. Possibly there are none—not a solitary point of superiority; possibly the American manufacturer is compelled to operate at higher expense in every direction. Yet, to repeat, one is led to suspect that his difficulties are exaggerated, or that he has himself exaggerated them in his dealings with the Tariff Board, in order to supply arguments for the maintenance of existing duties.

Certain it is that the description is one which puts weapons in the hands of those who scoff at the cost-of-production principle. It is repeatedly stated, for example, that the working force in the American mills is ineffective. Operatives in foreign countries are said to be more intelligent, better trained, more steady at their work. The newly arrived immigrants who throng the American mills are declared to be poor factory hands. The question may fairly be asked, Why, then, induce them to enter this occupation? Is it to the country's advantage that an Italian or a Greek should be brought over here to work for us at eight or ten dollars a week, when a German or a Frenchman is willing to do the same work for us in his native country at five or six dollars? Or to put the same sort of question in another form, Would *all* wages in the United States be higher, and would this really be a prosperous country, if our manufacturing establishments and our agriculture throughout were carried on by ignorant and inefficient workmen, equipped with tools and machines no better than those of foreign countries?

So far as machinery is concerned, the extent to which the American worsted manufacturers are dependent upon imported machin-

ery is surprising. The continued resort to foreign machinery always raises a suspicion of inferiority in technical methods. Machinery is almost sure to be installed better and operated better in the country where it is made. A country which depends upon imported appliances thereby confesses to not being in the van of industrial progress. Such is the case with the European countries when they import American shoemaking machinery. Such is the case with continental Europe when it imports English machinery for spinning fine cottons. Such seems to be the case in the worsted mills in the United States with regard to the worsted processes. The report states that in our worsted mills 80 per cent of the machinery used for the processes from scouring to the finished yarn (not goods), is imported. The figures are even more striking with some particular kinds of machinery. The so-called French combs (the continental system) are imported *in toto*; so are the worsted spinning machines and some of the drawing frames. Of the Bradford frames 90 per cent are imported. There is a striking difference between these figures and those for other kinds of machinery. Over three fourths of the looms are of domestic make, not of foreign make. It is an interesting feature of industrial development in the United States that weaving machinery has always been made chiefly here, and apparently has been worked to better advantage. In all the textile industries—cottons and silks even more strikingly than woolens—looms are chiefly of American make; and they are at least as good as foreign looms, often better. Practically all the carding machines used in the wool manufacture are domestic; so are the spinning machines used for carded wool. To repeat, it is in the characteristic branches of the worsted industry that the dependence upon foreign machinery is most striking; and here also most is said of the inferiority of the operatives.

Precisely the same question of principle presents itself here as with regard to the cost of production of wool. Are disadvantages of the American manufacturer a reason for supporting him with high duties, or are they a reason for regretting that he has been supported by duties at all? The answer cannot be given by the most labored investigation. It raises a fundamental question about which the legislator has to make up his mind by reasoning which the data of the Tariff Board may illustrate, but on which they can prove nothing. No doubt, that question cannot be

settled by any legislation now within the bounds of possibility. There are even good grounds for contending that it is a question not pertinent at the present juncture; for it is the fundamental question between protection and free trade. What now concerns the country is the much simpler controversy between more protection and less; between the present tariff with all its extremes and a pruned and moderated system. Even protectionists admit that duties should not be *more* than suffices to offset differences in cost; even free-traders admit (or many of them do) that regard must be had to the vested interests of those who have been encouraged to embark in industries that labor under disadvantages. Hence it is not inconsistent to admit the value of the Tariff Board's work, even though rejecting the principle of "scientific" revision which led to the Board's establishment. Possibly this report might have promoted revision with better effect if more time had been allowed for preparation; perhaps also if more courage had been shown in summarizing and emphasizing the results. But none the less it does promote a much needed readjustment.

For the economist, the pages of the report teem with facts and illustrations that bear upon other subjects than tariff legislation. Instructive figures are given showing how the final expense of a suit of clothes is made up—what part is assignable to the raw material, what part to the factory, what to the manufacture of the clothing, what to retail trading expenses. In the comparisons between different establishments in the United States illustrations will be found not only of differences in cost of production, but of other phenomena, such as of the influence of internal and external economies. In the descriptions of the labor force, and in the letters of manufacturers on the efficiency of weavers, there are striking illustrations of the principle of comparative cost and of the changes in industrial quality between immigrants of the first generation and their descendants of later generations. Economists will long find in these volumes a mine of information, and will be grateful for them when the political squabbles which now turn on them have been forgotten.

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## THE BACKWARD ART OF SPENDING MONEY

In the scheme of modern life, making money and spending money are strictly correlative arts. Of the two, spending is rated as both pleasanter and easier to practice. Certainly for most of us it is not less important. A few, indeed, make so much money that they can slight the art of spending without suffering discomfort, but the vast majority would gain as much from wiser spending as from increased earning.

Important as the art of spending is, we have developed less skill in its practice than in the practice of making money. Common sense forbids us to waste dollars earned by irksome efforts; and yet we are notoriously extravagant. Ignorance of qualities, uncertainty of taste, lack of accounting, carelessness about prices—faults which would ruin a merchant—prevail in our housekeeping. Many of us scarcely know what becomes of our money; though well-schooled citizens of a Money Economy ought to plan for their outgoes no less carefully than for their incomes.

For this defect in our way of living we are often taken to task, not only by thrifty souls who feel that waste is sin, but also of late by men of large affairs who wish that we might ask less insistently for higher wages and save more money to invest in their securities. No doubt there is sufficient reason for faultfinding, and no doubt much of the free advice given on mending our ways is sound. Conscience admits the first, common sense the second. But in our haste to plead guilty we forget certain mitigating circumstances which might go far toward recommending us to the mercy of an impartial court. To spend money is easy, to spend it well is hard. Our faults as spenders are not wholly due to wantonness, but largely to broad conditions over which as individuals we have slight control.

Under the less complicated economic organization of barter and the nascent use of money, the family was the unit in large measure for purposes both of producing and consuming goods. By the time of American colonization, English society had grown out of such simple conditions. But the earlier colonists were forced by their isolation to revert to practices which the mother country had long since abandoned. The family became again a unit of producers, caring for each other's wants. Food-stuffs

and other raw materials were produced by the men, assisted by the women and children; these materials were prepared for family use by the women, assisted by the children and men. While this form of organization was transient in any one district, it kept re-appearing upon the frontier, so that for generations production was based in part upon the family as a unit.

Denser settlement would have sufficed by itself to enable Americans to develop division of labor and regular markets corresponding to those of seventeenth and eighteenth-century England. But in addition there came the industrial revolution and the railway. These factors in combination gradually deprived the family of its old importance as a unit for producing goods. For the factory made, the railway brought, the shop kept a great variety of articles which the family once provided for itself. Production was re-organized on the basis of a new unit—the business enterprise—in which the members of many families were employed. And the new unit proved vastly more efficient than the old. It made possible more elaborate specialization of labor and machinery, more perfect coördination of effort and greater reduction of waste than could be attained by the family. There resulted a gigantic increase in the volume of goods produced and in the aggregate incomes earned.

Meanwhile as a unit for consuming goods, for spending money, the family has remained substantially where it was in colonial days. Division of labor in spending has not progressed beyond a rudimentary division between the adult men and women of the family—the women bearing the heavier burden of responsibility. Housework has been lightened by the growth of industry; but housewives still face essentially the same problems of ways and means as did their colonial grandmothers. No trade has made less progress than this, the most important of all trades.

It is because we have not wanted to that we have not developed a larger and more efficient unit for spending money than the family. Our race-old instincts of love between the sexes and parental affection, long since standardized in the institution of monogamy, are a part of experience at once so precious and so respectable that we have looked askance at every relaxation of the family bond, whatever material advantages it has promised. While we have become increasingly dependent upon other men for the goods we buy and for the sale of our services, we have

jealously insisted upon maintaining the privacy of family life, its freedom from outside control, so far as our circumstances have permitted. Reluctantly we have let the factory whistle, the timetable, the office hours impose their rigid routine upon our money-making days; but our homes we have tried to guard from intrusion by the world of machinery and business. There are strains in our stock, to be sure, which can adapt themselves more readily to the lock-step of life organized by others; such people fill our family hotels. But most of us still prefer a larger measure of privacy, even though we pay in poor cooking. So long as we cling fondly to home life, so long will the family remain the most important unit for spending money. And so long as the family remains the most important unit for spending money, so long will the art of spending lag behind the art of making money.

The dominance of women in spending, which the family form of organization establishes, may explain the backwardness of the art in some measure. An effective contrast might be drawn between the slipshod shopping of many housewives and the skilful, systematic buying done for business enterprises by men. But the fair comparison is between the housewife's shopping for the family, and her husband's shopping for strictly personal wants. Current opinion certainly represents women as more painstaking than men in making selections, and more zealous in hunting for bargains. Doubtless if men had to do the work they would do it otherwise in some ways, and doubtless they would think their ways better. But if men had to spend money under the limitations now imposed upon women by family life, they would certainly find the task exceedingly difficult. It is the character of the work more than the character of the women which is responsible for poor results. Indeed, the defects of the workers are partly effects of the work. The lack of system, which reduces the efficiency of so many housewives, comes in a measure from the character of their daily tasks, like the pedantry which makes so many teachers uninspiring.

The housewife's tasks are much more varied than the tasks which business organization assigns to most men. She must buy milk and shoes, furniture and meat, magazines and fuel, hats and underwear, bedding and disinfectants, medical services and toys, rugs and candy. Surely no one can be expected to possess expert knowledge of the qualities and prices of such varied wares. The

ease with which defects of materials or workmanship can be concealed in finishing many of these articles forces the purchaser often to judge quality by price, or to depend upon the interested assurances of advertisers and shopkeepers. The small scale on which many purchases are made precludes the opportunity of testing before buying, and many articles must be bought hurriedly wherever they are found at whatever price is asked. If this work could be taken over for many families and conducted by a business enterprise it would be subdivided into several departments, and each department would have its own minute division of labor. Then there would be the commissariat with its trained corps of purchasing agents and chemists, each giving his whole working day to the buying or testing of meats, or vegetables, or groceries. Then there would be the departments of building and grounds, of furnishing, of fuel and lighting, of the laundry, of clothing, of the nursery and the like—all bringing specialized knowledge to the solution of their problems, all having time and opportunity to test qualities and find the lowest prices. The single family can no more secure the advantage of such division of labor in caring for its wants as consumers than the frontier family could develop division of labor in production.

Nor can the family utilize labor-saving machinery to reduce the cost of living more effectively than can the very small shop utilize it to reduce the cost of production. The economical use of machinery requires that the work to be done be minutely subdivided and that each successive operation be standardized. The family unit is so small, the tasks are so various, and the housework is so scattered from cellar to attic as to make machinery more troublesome than useful. Even if a housewife were supplied with an elaborate mechanical equipment, and if she knew how to operate each machine and keep it in order, she could make but brief use of each device as she turned from one of her endless tasks to the next. A machine which is to stand idle ninety-nine hours in a hundred must possess extraordinary advantages, or cost but a trifle to warrant its being installed even in a factory. Hence the equipment which can be employed economically in the household falls into the class of inexpensive utensils and hand tools; even in this age of steam and electricity, a family must be cared for by hand.

Again, the general managers of households, unlike the general

managers of business enterprises, are seldom selected upon the basis of efficiency. Indeed there are grounds for believing that in this country less attention is paid than formerly to housewifely capacity in choosing wives. The young farmer going west to take up land knew that his success would depend largely upon the efficiency of his helpmate. Perhaps his grandson exercises as much worldly wisdom in choosing a wife, but he thinks more of how much an available *parti* can add to his income than of the skill with which she can manage what he earns.

However chosen, the young wife seldom approaches her housework in a professional spirit. She holds her highest duty that of being a good wife and a good mother. Doubtless to be a good manager is part of this duty; but the human part of her relationship to husband and children ranks higher than the business part. In a sense the like holds true for the man; but in his case the role of husband and father is separated more sharply from the role of money-maker. The one role is played at home, the other role in the fields, the shop, or the office. This separation helps the man to practice in his own activities a certain division of labor conducive to efficiency in money-making. He can give undivided attention during his working hours to his work. But the woman must do most of her work at home, amidst the countless interruptions of the household, with its endless calls from children and friends. She cannot divide her duties as a human being so sharply from her duties as a worker. Consequently, her housekeeping does not assume objective independence in her thinking, as an occupation in which she must become proficient. Household management, under the conditions of family life, is not sufficiently differentiated from other parts of the housewife's life to be prosecuted with the keen technical interest which men develop in their trades.

Upon the household manager, capable or not as she may be, family life commonly throws an exhausting routine of manual labor. In large business enterprises matters are managed better. The man who makes decisions, who initiates policies, who must exercise sound judgment, does no work with his hands beyond signing his name. He is relieved of all trivial duties, protected from all unnecessary intrusions. One of the handicaps of the small enterprise is that its manager must also keep the books, write the letters, or work in the shop—must disperse his energy over many



tasks. In the great majority of homes the housewife labors under a like handicap. If she has no servant, then cooking and sweeping, mending and shopping, tending the children and amusing her husband leave her little leisure and less energy for the work of management proper. Tired people stick in ruts. A household drudge can hardly be a good household manager. Even with one or two servants to assist them, many wives work longer hours than their husbands, and work under conditions which are more nervously exhausting. The number of housewives who have leisure to develop the art of spending money wisely must be a very small percentage.

Though so many conditions of family life conspire to make hard the housewife's task, a surprising number of women achieve individual successes. If housekeeping were organized like business, these efficient managers would rapidly extend the scope of their authority, and presently be directing the work of many others. Then the less capable housewives, like the mass of their husbands, would be employed by these organizing geniuses at tasks which they could perform with credit to themselves and profit to the community. By this system we get the full use of our best brains in making money. But the limitations of family life effectually debar us from making full use of our best domestic brains. The trained intelligence and the conquering capacity of the highly efficient housewife cannot be applied to the congenial task of setting to rights the disordered households of her inefficient neighbors. These neighbors, and even the husbands of these neighbors, are prone to regard critical commentaries upon their slack methods, however pertinent and constructive in character, as meddling interferences. And the woman with a consuming passion for good management cannot compel her less progressive sisters to adopt her system against their wills, as an enterprising advertiser may whip his reluctant rivals into line. For the masterful housewife cannot win away the husbands of slack managers as the masterful merchant can win away the customers of the less able. What ability in spending money is developed among scattered individuals, we dam up within the walls of the single household.

There are, however, reasons for the backwardness of the art of spending money other than the organization of expenditure on

the basis of the family. Grave technical difficulties inhere in the work itself, difficulties not to be wholly removed by any change of organization.

The rapid progress made and making in the arts of production rests upon progress in scientific knowledge. All the many branches of mechanics and engineering, are branches of the tree of knowledge, nourished by the roots of research. Among the various sciences the most important for industry are physics and chemistry. It is by applying in practice the physical and chemical laws learned in the laboratory that recent generations have been able to develop not only their complicated machinery, but also their effective processes of modifying materials. Now physics and chemistry happen to be the sciences which deal with the subject matter which is simplest, most uniform, and most amenable to experimental control. They are therefore the sciences of which our knowledge is most full, most precise, and most reliable.

In similar fashion, progress in the arts of consumption rests upon progress in science—or rather waits upon progress in science. To secure the better development of our children's bodies we need a better knowledge of food values and digestive processes, just as we need better knowledge of electricity to reduce the waste of energy on long transmission lines. To secure the better development of children's minds we need better knowledge of the order in which their various interests awake, just as we need better knowledge of physical-chemistry to control the noxious fumes of smelting plants.

But, unfortunately for the art of spending money, the sciences of fundamental importance are not physics and chemistry, but physiology and functional psychology. While the latter may be ultimately capable of reduction to a physico-chemical basis, they certainly deal with subject-matters which are far less simple, less uniform, and less amenable to experimental control than physics or chemistry proper. Hence they are in a relatively rudimentary condition. As now written they are easier for the layman to read, they present fewer superficial difficulties; but that is precisely because their real difficulties have not been mastered and elucidated.

Accordingly, even the housewife who is abreast of her time labors under a serious disadvantage in comparison with the manufacturer. The latter can learn from an industrial chemist and a

mechanical engineer far more about the materials he uses, the processes at his disposal, the machinery best adapted to his purpose than the housewife could learn from all the living physiologists and psychologists about the scientific laws of bodily and mental development. No doubt the sciences which will one day afford a secure basis of knowledge for bringing up a family are progressing; but it seems probable that they will long lag behind the sciences which serve the same office for industry. Hence the housewife's work presents more unsolved problems, is more a matter of guesswork, and cannot in the nature of things be done as well as the work of making and carrying goods. Until such time as science shall illuminate the housewife's path, she must walk in the twilight of traditional opinion.

If the art of making money has advantages over the art of spending on the side of scientific technique, it has equal advantages on the side of business method. Money making is systematized by accounting in which all the diverse elements in a complicated series of bargains are adequately expressed in terms of one common denominator—the dollar. Thus a business man is enabled to compare the advantage of granting long credits with the advantage of selling on closer margins for cash; he can estimate whether it would be cheaper to buy a higher grade of coal or to let his fire boxes burn out rapidly; he can set off the cost of additional advertising against the cost of more traveling salesmen. And since profits are also expressed in dollars, the business man can control all items of expense on the basis of their estimated contributions toward his gains. In making money, nothing but the pecuniary values of things however dissimilar need be considered, and pecuniary values can always be balanced, compared, and adjusted in an orderly and systematic fashion.

Not so with the housewife's values. A woman can indeed compare costs so long as they consist solely in the money prices she is charged for goods. But she cannot make a precise comparison between the price of a ready-to-wear frock, and the price of the materials plus her own work in making. Still less can she compare costs and gains. For her gains are not reducible to dollars, as are the profits of a business enterprise, but consist in the bodily and mental well-being of her family. For lack of a satisfactory common denominator, she cannot even make objectively valid com-

parisons between the various gratifications which she may secure for ten dollars—attention to a child's teeth, a birthday present for her husband, two days at a sanatorium for herself. Only in the crudest way can subjective experiences of different orders occurring to different individuals be set against each other. Opinions regarding their relative importance change with the mood and flicker with the focus of attention. Decisions made one hour are often cause of regret the next. In fine, spending money cannot conceivably be reduced to such system as making money until someone invents a common denominator for money costs, and for all the different kinds and degrees of subjective gratifications which money can procure for people of unlike temperaments. Such household accounts as are kept doubtless have their value; but the most painstaking efforts to show the disposition of every cent spent still leave unanswered the vital question of what has been gained.

And what does the housewife seek to gain? The business man in quest of profits can answer such a question for himself in terms distinctly definite. To make money becomes an end in itself; to spend money involves some end beyond the spending. When the housewife pursues her problem to this final query she comes upon the most baffling of her difficulties. Doubtless she can tell herself that she seeks the happiness of her husband and herself, the fair development of their children. But before these vague statements can serve as guides in the intensely practical problem of spending money, she must decide what happiness and development mean in concrete terms for her particular husband and children. Of course our housewives are seldom philosophers, and if they were they could not let the dishes go unwashed while they wrestled with the question of what is best worth while in life. Most women, indeed, do their work in an empirical spirit, so busied with obvious difficulties of detail that they are saved from seeing the deepest perplexities of their position. It is commonly the very young wife whose conscience is worried about the ultimate aims of her spending; and she is more likely as the years go by to stop thinking about this problem than to think it out.

In accounting for the defects of the art of spending, as that art is currently practiced, there is little need to lay stress upon

difficulties which are neglected by the great mass of practitioners. But there is one end which women assuredly do seek in spending, albeit unconsciously for the most part, which deserves attention because it is subversive of economical management.

Nassau Senior long ago pointed out the important role played by the desire for distinction in guiding conduct; and more recently Thorstein Veblen has developed the theme with much subtlety in his satirical *Theory of the Leisure Class*. We are all prone to draw invidious comparisons between ourselves and our neighbors. Such comparisons give us much edifying satisfaction when they can be twisted to our advantage, and produce a corresponding sense of discomfort when we cannot disguise our own inferiority. The subject matter of these invidious comparisons is drawn from the whole range of our experience, from appreciating Browning to catching trout, from observing the Sabbath to the weight of our babies. In the Money Economy of today, where so much of our attention is devoted to business, these comparisons turn with corresponding frequency upon our pecuniary standing. Money income is a crude, tangible criterion of worth which all of us can understand and apply. It needs a certain originality of character or a certain degree of culture to free us even in a measure from the prevailing concern with commercial standards. Most of us who are rich like to feel that the fact is known to all men; most of us who are poor strive to conceal the petty economies we are compelled to practice. Of course we see this unamiable trait of human nature more clearly in others than in ourselves; but in most of us that fact is but a subtle exercise of our inveterate habit of drawing biased comparisons between ourselves and others.

Now the simplest and most effective way of providing material for a soul-satisfying comparison with others on the basis of pecuniary competence is to show that we are better off by living in larger houses, wearing more stylish clothing, taking more leisure, and the like. Thus the Money Economy forms in us the habit of extravagant expenditure for the unacknowledged purpose of impressing both ourselves and our neighbors with an adequate sense of our standing. Of course, indiscriminate vulgarity in wasting money offends our taste. The ideal toward which we learn to strive is an ideal of refined elegance, such as is reputed to be the legitimate offspring of generations of wealth and leisure. But for working purposes, all classes of society exhibit the same species

of impulse in a vast number of variants. The gaudy ribbons of the shopgirl are close kin to the paste jewels which the heiress wears to show that she keeps genuine jewels locked up in her safe-deposit box.

In their task of spending money the mass of housewives come under the sway of this paradoxical impulse. Not for themselves alone, but also for the sake of their husbands and their children, must they make it appear that the family stands well in a world where worth is commonly interpreted as dollars' worth. An appearance of poverty in comparison with their associates may disturb the husband's complacency and may handicap the children's chances of forming pleasant and profitable associations. Worldly wisdom, therefore, counsels the housewife to make as brave a show as may be with the income at her disposal. She must buy not only gratifications for the appetites and the aesthetic senses, but also social consideration and the pleasant consciousness of possessing it. The cost of the latter is an air of disregarding cost.

If this analysis of the reasons why the art of spending money is in so backward a state be sound, it follows that homilies upon the ignorance, foolish extravagance, and lack of system among our housewives are a vain exercise, productive of slight effect beyond the temporary indignation they arouse. However edifying such preachments may be made, they cannot remove the limits which family life sets to a more effective organization of expenditure, they cannot increase our knowledge of physiology and psychology, they cannot give us a common denominator for costs and gains in living, they cannot define our aims with definiteness, and they cannot cure us of seeking social consideration by living beyond our means.

What prospect of improvement can be seen lies in the slow modification of the broad social conditions which make woman's work so difficult at present. Despite certain relaxations of the family bond, we are seemingly inclined to maintain the essential features of the family group, with its large measure of privacy. Nevertheless, we are re-organizing certain forms of family expenditure on the basis of larger groups. Some among these tentative efforts may survive initial blunders and increase mightily in the years to come. The apartment building with its steam

heat, janitor service, and common washtubs seems likely to increase in favor and perhaps will increase in the facilities it offers. The family hotel, which still seems to many of us the worst place for a family, may please a larger number of our children. Co-operative kitchens look promising on paper and may prove endurable in practice—particularly if wages of competent cooks continue to rise. Pure food laws, municipal certification of milk, and the like render easier the task of the housewife who is intelligent, though they doubtless disquiet her easy-going sisters by emphasizing dangers of which they had been but dimly conscious. Finally, our cities are providing with a larger liberality playgrounds, parks, library stations, day nurseries—a socialized spending of money with a neighborhood instead of a family as the unit. In spite of the fact that all these forms of arranging expenditure for larger groups may be so managed as to increase the cost and diminish the benefit, they at least represent promising experiments which may result in solid gains. For one thing they give men a larger share in organizing expenditures, and men bring to the task a trained capacity for coöperation and the development of system—qualities to which the greater size of the unit allows free scope.

With greater confidence we may rely upon progress in physiology and psychology to make wider and more secure the scientific foundations of housekeeping. But such progress will have little practical effect unless the results of research are made available to far larger circles. This work of popularizing scientific knowledge, however, promises to become increasingly effective. Most of the magazines for women have departments devoted to matters of technical interest to housewives—channels through which trebly diluted applications of science may trickle to thousands of untrained readers. The ever increasing number of women's clubs, with their ever increasing membership, are other promising centers for the dissemination of knowledge concerning scientific cooking, domestic hygiene, sanitation and the like. Probably of more importance will be the growing attention to "domestic science" in the schools, and the efforts of colleges and universities to meet the popular demand for adequate instruction in the matters of gravest import to future wives and mothers. At best, however, a small percentage of women can secure this more elaborate training. And the more we learn about the sciences in-

volved, the more prolonged, more difficult, and more expensive will such training become. Perhaps we may solve the problem by developing a professional class of Doctors of Domestic Science, who will be employed in organizing households, giving expert counsel to the newly wed, holding free dispensaries of advice for the indigent, assisting in divers municipal ventures in welfare work, and the like. Then the training of the mass of women may be confined to such an exhibit of the complexities and responsibilities of their work as will induce them to employ these elect as freely as they now employ physicians.

But even after many of the housewife's present cares have been reduced by the extension of business enterprise and municipal housekeeping, and after the housewife has received better training herself and can command the expert advice of a professional class, her task in spending money will still remain perplexing to one who takes it seriously. For the ultimate problem of what is worth while to strive for is not to be solved by sounder organization, by better training, or by the advance of science. Doubtless most women, like most men, will ever continue to accept uncritically the scale of conventional values which their day and generation provides ready-made. To such souls the only non-technical problems will be problems of reconciling minor inconsistencies, or striving to attain the more decorous standards of a higher social class. But to women of conscience and insight the ends of living will always be a part of the problem of spending money—the part which is most inspiring and most baffling. In this aspect the art of spending money differs from the technical pursuits of business and science, and is allied to philosophy and ethics. There is a scheme of values embodied in every housewife's work, whether she knows it or not, and this scheme affects for good or ill the health, the tastes, the character of those for whom she cares and those with whom she associates.

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## MARKETING OF AGRICULTURAL LANDS IN MINNESOTA AND NORTH DAKOTA

A question of very great economic importance to all persons interested in the institution of private property, and yet probably as little studied as any, is that of buying and selling land. Methods of transferring landed property in densely populated centers have been considered to some extent, including the significance of building and loan<sup>1</sup> associations and other institutions of like nature or having like purposes in view; but it would seem as if less attention had been given (at least in this country) to a consideration of methods of transferring agricultural lands than to any other phase of the land question. Land laws receive their share of attention to be sure, and the various forms of recording and registering titles have not been left unconsidered; the actual working of these laws, however, is little understood by the mass of people and receives only legal attention, except in cases where the individual is unwillingly called to a consideration of them. Notwithstanding the great mass of land laws, the growing quantity of statutes and court decisions, and the appearance of increasing technical difficulties, there exists in this country great freedom in the acquisition and transfer of landed property. Joseph Kay pointed out not less than seventeen distinct evil consequences of the laws existing in England,<sup>2</sup> which he traced to an infringement of the right of free trade in land. And John Bright in speaking of Kay's work says: "He would leave to their free action the natural forces which tend to the accumulation of landed property on the one hand, as well as those which tend to its dispersion on the other. . . ."<sup>3</sup> The thing for which Kay contended is largely a recognized fact in this country and no legal obstacles to free dealing in land will be considered in this paper. Where few, if any, obstacles exist to free trade in land, that is, where law in no way hinders the development of new methods of dealing in landed property, those forms will develop, which best serve the wants of the people. This being so we may expect to find a great variety of methods in different districts; and even in any one locality a variety of forms may be in use to serve the varying demands of the people.

<sup>1</sup> See Hamilton, *Saving Institutions*.

<sup>2</sup> Joseph Kay, *Free Trade in Land*.

<sup>3</sup> *Ibid.*, Preface (written after Kay's death).

It is the purpose of this paper to review, as briefly as possible and yet considering the more important forms, the methods of transferring land in the Red River Valley of the North, which lies in Minnesota and North Dakota. In this connection we might quickly review the fact that this area is a very level district, chiefly devoted to cereal farming, and recognized the world over as a great wheat country. After some years of negotiations, the land was secured from the Indians<sup>4</sup> and opened to settlement; surveyors were put in the field just before the decade beginning with 1870. This area had long been a favorite field for fur-traders, explorers, missionaries, and adventurers. Incoming farmers now rapidly displaced the half-breed Indians who had been the chief occupants, and at this point came the first step in the transition of the land from free to economic goods. Within a few years the title to almost every available acre had passed over to the national government.<sup>5</sup>

This preliminary occupation of land has been the theme of many writers and will not be dwelt upon here. Suffice it to say that the state got its share as state lands, the schools their share as school lands, and the railroads their extensive grants as a bonus for pushing forward into this country which otherwise might still have been a wilderness. After lands for these purposes had been withdrawn, the remaining area was declared open to individual settlers. Some was sold to individuals, but the greater bulk was gotten in the more usual way,<sup>6</sup> under the homestead and pre-emption laws. It was during this decade (1870-80) that the "timber" or "tree" claim act was passed<sup>7</sup> and developed into workable form, and great numbers of settlers took advantage of its provisions in order to become owners of land.

At the outset we may well give some attention to the methods of transfer where the state or the schools—that is, society—is the vendor and some private individual is the vendee. We must note at this point that the Red River is the boundary line of two states; and therefore it will be necessary to examine the procedure of each state and compare the two systems.

*Policy of North Dakota.* The problem of North Dakota upon

<sup>4</sup> See *Indian Treaties and Conventions*.

<sup>5</sup> *Land Office Reports*.

<sup>6</sup> Thomas Donaldson, *Public Domain*.

<sup>7</sup> *Ibid.* (ed. of 1884), pp. 360-362.

attaining statehood was to care for or dispose of over 3,000,000 acres of land entrusted to her for the use of various institutions. That she has done well will be clear from a brief examination of her land policy. Article IX, of the state constitution pertains to School and Public Lands. It is provided in section 155 as follows:

Sec. 155.<sup>8</sup> After one year from the assembling of the first legislative assembly, the lands granted to the state from the United States for the support of the common schools, may be sold upon the following conditions, and no other: No more than one fourth of all such lands shall be sold within the first five years after the same become saleable by virtue of this section. No more than one half of the remainder within two years after the same become saleable as aforesaid. The residue may be sold at any time after the expiration of said ten years. The legislative assembly shall provide for the sale of all school lands subject to the provisions of this article. The coal lands of the state shall never be sold, but the legislative assembly may by general laws provide for leasing of the same.

None of the coal lands referred to are in the Red River Valley and, therefore, any or all of the lands in that section might be sold. The business of selling and otherwise handling these immense tracts of land devolves upon the state land department created by law for that purpose and acting under specific laws.<sup>9</sup>

Before sale the state board orders an appraisal by county officials. It is made by personal inspection and the return must be approved by the board. A commissioner selects such lands as are deemed saleable and advertises the list for sixty days in a newspaper in the county where the lands are located, giving notice of sale, etc. No land is advertised until it has been appraised at \$10 per acre, at least, and no land can be sold for less than its appraised value. On the day of sale each tract is sold at public auction to the highest bidder. A payment of one fifth in cash must be made at the time of sale, the balance being payable in instalments in 5, 10, 15, and 20 years. The deferred payments bear 6 per cent interest, payable in advance. A fee of \$5 is charged for each contract issued. Not more than 160 acres are included in a single sale.

Public sales are held only in such counties and at such times as it is thought that a sufficient quantity of land will be sold to warrant the expense of holding a sale, and such sales are authorized

<sup>8</sup> W. L. Stockwell, *General School Laws of North Dakota* (1905).

<sup>9</sup> O. I. Hegge, *Capitol Lands* (pamphlet, 1905).

by the Board of University and School Lands. All sales, as a rule, are held in the fall and winter after the crops have been harvested and when the farmers are best prepared to purchase.<sup>10</sup> The objection that they cannot see the land or know what they are buying cannot be raised here because practically all of the land is sold to farmers who live close to the land and are well acquainted with the conditions.

Persons desiring to have any particular tract of state land offered for sale may make application to the land commissioner.<sup>11</sup> If it is not too late in the year, provided the land has been appraised at not less than the minimum of \$10 per acre, and if the land is not held under lease, the application will be considered. Lessees who desire to have the land which they hold under lease, offered for sale, may surrender their duplicate lease for cancellation and then their application will be considered.<sup>12</sup>

No sale is conducted unless it seems that the demand is sufficient to warrant the belief that there will be considerable competition and not unless there are several pieces of land for sale in a district. No land is sold privately, and the only way to buy state land is to attend the regular public sales and bid in the required tracts.

Under these general provisions almost all of the land in the Red River Valley on the North Dakota side of the river, has been sold.<sup>13</sup> The state and the person who purchases the land are equally and fairly protected by the contract.<sup>14</sup>

<sup>10</sup> This is true in the Red River Valley, but not always the case in the other parts of the state.

<sup>11</sup> O. I. Hegge, *Capitol Lands*, p. 6.

<sup>12</sup> *Ibid.*

<sup>13</sup> *Biennial Reports of Land Commissioners.*

<sup>14</sup> After describing the land and stating the consideration in terms of money, the contract reads: Now therefore, if the said purchaser, h.. heirs, assigns or other legal representatives, shall pay or cause to be paid to the County Treasurer of said county, or other officer legally authorized to receive such payments, the amount of the purchase money as herein provided, and at the time and in the manner herein provided, and in accordance with law, and interest annually in advance, on the 1st day of January in each and every year, at the rate of six per cent per annum on all deferred payments, and shall pay to the proper officer all taxes upon said land and appurtenances thereto belonging, as the same may become due, and in the manner provided by law, then, and in that event only, will the said purchases, h.. heirs and assigns, or other legal representatives be entitled to a PATENT for the land herein described. But in case of the non-payment into the County Treasury of the pur-

*Policy of Minnesota.* With slight changes, the policy of Minnesota is much the same as the system already described, of appraising, offering for sale and granting title. Aside from some minor differences,<sup>15</sup> the contract contains the following sections

chase price aforesaid as it shall become due, or of the interest thereon, by the first day of January, or within thirty days thereafter, in each and every year, then this contract shall become voidable at the option of the State of North Dakota, through the Board of University and School Lands, and in case of non-payment of any taxes aforesaid by the said purchaser, or by the person claiming under him, then this contract from the time of said failure shall be utterly void and of no effect, and the State of North Dakota, through the Board of University and School Lands, may take possession of said land and the appurtenances thereunto belonging, and resell the same. Provided however, that right of way over the above described premises is hereby reserved for ditches, or canals and for tunnels, tramways, and telephone and electrical transmission lines, constructed by authority of the United States Government, as provided in Section 60 of the Irrigation Code of the State of North Dakota. This contract may be assigned by the said purchaser, to any other person, by and with the consent of the Board of University and School Lands. It is especially stipulated and covenanted on the part of the purchaser mentioned in this contract, and his heirs and assigns, that if the hereinbefore land shall, during the life of this contract, and before the issuance of patent therefor, be found to be "Coal Lands," or that the same have been sold in violation of any of the provisions of Section 155 of the Constitution of the State of North Dakota, then, and in that case the said lands shall immediately, upon the happening of either such events revert to the State, and this contract shall at once become null and void. Provided, however, that the purchaser shall have the right to have refunded to him all the money he has paid on this contract, less a reasonable rental for said land during the time he has occupied the same, and he shall be permitted, at his own expense, to remove any buildings he has placed thereon.

<sup>15</sup> After a description of the lands included, and a statement of the consideration, a clause embodying the provision of Section 2483 of the Revised Laws for 1905 is included "reserving to the State of Minnesota all minerals, and mineral rights in said land." Then comes the following provision: "Now if the said purchaser, his heirs, assigns, or other legal representatives shall comply with the provisions of Chapter 299 of the Laws of 1905, and shall pay to the County Treasurer the further sum of ..... Dollars, being the amount unpaid of the purchase money, in one or more installments, at any time within forty years from date of said sale, and also the interest annually, in advance, on the first day of June in each and every year, at the rate of four per cent per annum, on said unpaid amount, provided, however, that if the principal or any or any part thereof shall be paid before ten years from date of said sale, the interest on the amount so paid shall be five per cent per annum from the date of said sale to the first day of June next after such payment; and said purchaser shall also pay to the proper officer all Taxes which may be levied upon

which are the special features of Chapter 299 of the laws of 1905, designed to prevent speculation and to encourage settlement. These read as follows:

Section 1. Hereafter whenever any lands granted to the state by the congress of the United States shall be sold by this state, the purchaser shall in the first instance, be given a contract or certificate of sale, which instrument shall contain, among other things, the provisions herein set forth.

Sec. 2. The state auditor shall insert in every such contract or certificate of sale, a clause providing that the vendee, his heirs, administrators or assigns, shall within five years from the date of such instrument, perform at least one of the following requirements:

1. Fence at least twenty five (25) per cent of said tract for pasture and convert such portion into pasture land.

2. Cultivate at least five (5) per cent of said tract, or,

3. Build a house and actually reside upon said tract for a period of twelve (12) months.

Sec. 3. Within five (5) years after the date of such contract or certificate of sale, the vendee, his heirs, administrators or assigns, shall furnish to the state auditor, satisfactory proof that at least one of the said provisions has been complied with, said proof shall be attested by two members of the school board in the district wherein the land is located. And upon such proof, and the fulfillment of all the conditions of such contract or certificate of sale, a deed shall issue to the purchaser, his heirs or assigns, to the land in such contract or certificate described.

Sec. 4. Upon failure to make and furnish the proof mentioned, in the foregoing section, within five (5) years after the date of such contract or certificate, the state auditor shall cancel said contract or certificate and the land covered thereby shall revert to and become the property of the state, free and clear of any incumbrances or cloud arising out of said transaction or contract or attempted to be contracted by said vendee, and all moneys paid on account of the purchase price, shall be forfeited to the state.

said lot as the same shall become due; then, and in that event only, will the said purchaser, his heirs, assigns, or other legal representatives, be entitled to a PATENT for the land herein described. But in the case of the failure of the purchaser, his heirs, or assigns, to comply with at least one of the provisions of Chapter 299 of the Laws of 1905, or the non-payment into the County Treasury of the purchase money aforesaid, as it shall become due, or of the interest thereon, by the first day of June or within six days thereafter, in each and every year, and in case of the non-payment of any taxes aforesaid by the said purchaser or any person claiming under him, then this Certificate, from the time of such failure, SHALL BE UTTERLY VOID AND OF NO EFFECT, and the Auditor may take possession of said land and re-sell the same, as provided in Section 2421, of the Revised Laws for 1905."

Sec. 5. Not more than three hundred and twenty (320) acres of such land shall be sold or contracted to be sold to any one purchaser.<sup>16</sup>

Two particular points of difference between the procedure of these states are to be noted. The North Dakota law provides that one fifth of the purchase price shall be paid at the time of the purchase, one fifth in five years, one fifth in ten years, one fifth in fifteen years, and one fifth in twenty years, with interest on deferred payments at the rate of six per cent.<sup>17</sup> In Minnesota the rate of interest over a long period is four per cent, and the entire amount may be settled at any time before ten years in that state by tendering the amount due and paying interest from the date of sale at the rate of five per cent.<sup>18</sup> Attempts have been made in North Dakota to provide for a like method of settlement, but without success.<sup>19</sup>

A second difference in the Minnesota requirements is that the land be immediately occupied or used as seen in Section 2 of the law quoted above. The purpose of this law is to encourage actual settlement and discourage speculation.

*Dealing in farm land by railroad companies.* Roughly speaking the Northern Pacific and the St. Vincent Branch of the St. Paul and Pacific (now Great Northern) railroads were granted a million and a half acres of land in the Red River Valley.<sup>20</sup> To illustrate we may quote as follows:

The charter grants the Company (Northern Pacific Railway Co.) 20 alternate sections of public land (640 acres to the section) on each side of the line of the road in the territories, and 10 alternate sections on each side of the line in the states, through which it runs. This is equivalent to 25,600 acres per mile through the territories, and 12,800 acres per mile through the states.<sup>21</sup>

These roads receiving grants used the land as security, and thus were able to begin operations and carry them on with greater rapidity than would otherwise have been possible. The great bulk of the lands owned in the Red River Valley has since been sold, but even at present we find several thousand acres offered for

<sup>16</sup> This law is a new one and has only been in force since 1905.

<sup>17</sup> Provided by state law.

<sup>18</sup> See contract cited above.

<sup>19</sup> The question receives attention at practically every legislative session.

<sup>20</sup> See Donaldson, *Public Domain*.

<sup>21</sup> From *Prospectus* issued by Jay Cooke & Co., financial agents, 1872.

sale. When all of the property of the Northern Pacific road was mortgaged to secure funds for the construction of the road, 7-30 bonds were issued and provision was made that any lands of the road could be sold and paid for in the bonds issued. No lands were to be sold for a lower price than \$2.50 per acre, the double minimum charged by the national government for all land of certain descriptions.

"The bonds of the company, based upon this grant of lands of forty seven million acres, were placed upon the market under more favorable circumstances than ever before attended the sale of railroad securities. The prospect of an early completion of so important a road gave great currency to the bonds, and \$29,119,400 of them, bearing interest at the rate of 7.3 per cent, were negotiated. These securities were sought after by trust companies, guardians, and trustees throughout the whole country. People residing in nearly all the states of the Union, north and south, east and west, invested their money in these bonds.

"Owing to the fact that the holders of the bonds could at any time exchange and use them as money for lands within the grant, large numbers invested their savings of a few hundred dollars in these bonds with the intention of locating lands as soon as the road was built to accessible points, and in this way large numbers of poor men became interested in this road."<sup>22</sup>

We need not here review the financial conditions in the United States during this period, but it will be necessary to refer to the crisis of 1873, a time when the Red River Valley was being poured full of settlers, the railroads were being rapidly built and "a great boom was on." It was at this time that the crash came. Jay Cooke's failure precipitated the failure of the Northern Pacific railroad. Its preferred stock, which had been worth 80 cents, went down to 8 cents, and many holders of this stock, rather than sacrifice it in that way concluded to investigate the Red River Valley, since the preferred stock, like the bonds, could be used in the purchase of these lands along the road. At first there were statements circulated which discouraged many from accepting this land, but by 1874-75 there had been many thousands of acres taken up. If a \$100 bond was bought for \$8, and 40 acres of land could be obtained for the bond, purchasers could get 40 acres at \$8, or could purchase land at 20 cents an acre.

Thus Mr. Dalrymple whose descendants still own and operate 15,000 acres said: "My land was purchased at from forty to sixty cents an acre. It immediately took on a value of \$5 an acre in

<sup>22</sup> Remarks of Hon. Lucien B. Caswell, on the bill to renew a grant of lands to the Northern Pacific Railway Co., June 8, 1878.



1875.”<sup>23</sup> The above statement applies in a general way to thousands of acres of land. “The Hillsboro farm of 40,000 acres was purchased by N. P. stock purchased in the open market and cost about 40 cents per acre.”<sup>24</sup> The exact amount transferred under this system makes very little difference in this connection; suffice it to say that hundreds of thousands of acres were involved. This was the foundation of bonanza wheat-farming.

Much more common than the above, especially after the crisis was passed, was the policy of offering the land for sale at very reasonable rates, to actual settlers with long-time payment privileges. The policy was to require a small payment, probably one fifth of the selling price, at time of sale, and give several years in which to make final payments.<sup>25</sup>

There were certain districts<sup>26</sup> in which a very large share of the land (nearly one half) belonged to the railroad (St. Paul, Minneapolis and Manitoba, now Great Northern). The settlers on government land had their farms pretty well cultivated and were ready to buy new lands when the railroads offered their large areas for sale. These farmers were not in a position to begin cultivation immediately, however, and that was the very thing which the railroads wished done. The great desire was to induce the farmers to produce more grain and thereby open up this new land. They would sell the land to the farmer for a consideration of \$6 per acre on certain conditions.<sup>27</sup> First, the purchaser should “break” at least three forties (120 acres) the first year, before mid-summer, and should “back-set” the same amount before winter (during the proper season). If this were done the railroad company would allow a “rebate” of \$2.50 per acre for every acre (not to exceed 120 out of each 160 in a quarter section) thus prepared. It was further provided that for the coming year the purchaser was to sow this new land to crop, and in turn he was to have a second “rebate” of 50 cents per acre.

In this way the farmer was able to buy land for \$6 an acre

<sup>23</sup> *North Dakota Magazine*, vol. i, p. 30.

<sup>24</sup> Pamphlet by J. B. Streeter, p. 14.

<sup>25</sup> Conversations with settlers and railroad agents.

<sup>26</sup> Special reference might well be made to the district in Polk County, Minn., from Crookston to East Grand Forks.

<sup>27</sup> The details of the above system were obtained from conversation with farmers who purchased land under it, and from examination of old receipts retained in some cases by the older settlers among old accounts, etc.

(while that was the local price) and the vendor would pay the cost of "breaking," "back-setting" and "sowing" the crop the first year in the form of discounts or rebates. Many farmers testify to the fact that this was very popular while it lasted and there was considerable competition among farmers to see who would be able to accomplish most.

Resulting from the practices outlined above we find the Red River Valley a district of large farms. After the experience of 1873, the first few large farms were started and many others, not so large, have since developed. A farmer well settled could buy a half section or section of school or railroad land at very reasonable rates and with many years in which to pay. Many took advantage of the opportunity.

*Buying and selling land by individuals.* During the first few years, before an individual holding land had obtained title, he had a recognized right to the land guaranteed by the national preëmption laws.<sup>28</sup> This "right" had a market value, and it is common to hear of a man "holding down a claim" and selling his "right" to it. It was a common thing for a prospective settler to purchase the "relinquishment" as it was called, and in time to get title to the land.

From the earliest days of our national existence the United States has issued warrants for military bounty lands,<sup>29</sup> to those whose services were such as conformed to certain requirements. Probably a hundred million acres of the public domain have been transferred to private parties as bounties of some kind. These warrants were made negotiable.<sup>30</sup>

The regulations and rules of procedure were prescribed by the department in charge, and the warrants were at once marketable instruments of considerable value. Warrants were issued in different denominations, *e. g.*, quarter sections, eighties, forties, etc.<sup>31</sup> These were of the same nature as Indian scrip, which also was negotiable. Thus it was that, besides "relinquishments," a land seeker might purchase a few "soldiers additional" (as the warrants were popularly called) or he could get Indian scrip, and

<sup>28</sup> Donaldson, *Public Domain*.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Revised Statutes of the United States*, 1874, Sec. 2414.

<sup>31</sup> Donaldson, *Public Domain*.

settle for his land by turning these in at the land offices in place of money, or he could secure a farm by living on the land.

These opportunities were quickly taken advantage of by prospective settlers, and also by speculators who were able to purchase quite large tracts of land and later open large farms or divide the land into smaller areas and offer them for sale at reasonable rates to actual settlers.<sup>32</sup> But relinquishments, soldiers' additional and Indian scrip are things of the past, and railroad and school land plays a less important role than in earlier days.

Aside from the forms above noted a land title is secured by sale and purchase, and where the entire purchase price is not paid in full, the former owner may retain an interest in the land and hold as evidence a mortgage. This mortgage is recorded and a future purchaser must see to it that he does not have to pay twice, for he must purchase subject to other interests.<sup>33</sup>

Passing on we come to a more complex form of transfer. The purchaser may pay a certain per cent of the price determined upon and yet not receive the deed. The original owner delivers to the purchaser a contract or bond for a deed. This form of sale is very common in this district. It is common for the purchaser to pay in cash one-third, one-fourth, or one-fifth of the purchase price upon the receipt of the contract, and to make further payments in such amounts and at such times and places as are agreed upon and inserted in the contract. The warranty deed is delivered to the purchaser when the last payment is made, and the contract is then destroyed. These contracts are very much alike throughout the district, but one point of difference may be noted. In some cases the warranty deed is delivered to the purchaser when he has paid two-thirds or three-fourths of the purchase price, and the original owner takes a first mortgage to secure the interest which he retains in the land. These contracts for deeds are so common that printed forms are often used, although in many cases special provisions are written in by the parties interested.<sup>34</sup>

<sup>32</sup> Many early settlers still living in the district took advantage of these opportunities. They would arrive with ox-team and covered wagon and a few necessary implements and food and in a few years be owners of well-equipped farms.

<sup>33</sup> These are the common practices in most districts, are found provided for in our state laws and are very generally understood.

<sup>34</sup> A copy of one of the most commonly used contracts reads as follows:

And the said party of the second part hereby covenants and agrees to pay the said party of the first part the sum of ..... in the following manner

These contracts have been in use for many years. Thus we find that as early as 1875, Col. C. A. Morton of Fargo would locate settlers, pay for the land with Northern Pacific preferred stock or soldiers' additions, and, if the settler had no money, would receive back the title to the land and give the settler a bond for a deed.<sup>35</sup> From that time to the present this method of transfer has been very popular.

It has been pointed out that the early seventies saw the valley overrun with settlers, and that by 1875 land had taken on an exchange value. The next ten years saw a very rapid growth, and all of the best free land had been taken. Then it was that those who wished land in the valley had to buy it and real estate dealers became more and more necessary as intermediary agents.

..... with interest at the rate of ..... per cent per annum payable ..... annually, on the whole sum remaining from time to time unpaid, and to pay all taxes, assessments or impositions that may be legally levied or imposed upon said land, subsequent to the year ..... And in case of failure of said party of the second part to make either of the payments or interest thereon or any part thereof, or perform any of the covenants on ..... part hereby made and entered into, then the whole of said payments and interest shall at the election of said first party become immediately due and payable, and this contract shall at the option of the party of the first part be forfeited and determined, by giving to said second party thirty days' notice in writing of the intention of said first party to cancel and determine this contract, setting forth in said notice the amount due upon said contract, and the time and place, when and where, payment can be made by said second party.

It is mutually understood and agreed by and between the parties to this contract that thirty days is a reasonable and sufficient notice to be so given to said second party, in case of failure to perform any of the covenants on ..... part hereby made and entered into, and shall be sufficient to cancel all obligations hereunto on the part of the said first party, and fully reinvest ..... with all right, title and interest hereby agreed to be conveyed, and the party of the second part shall forfeit all payments made by ..... on this contract, and ..... right, title and interest in all buildings, fences or other improvements whatsoever, and such payments and improvements shall be retained by the said party of the first part, in full satisfaction and in liquidation of all damages by ..... sustained, and ..... shall have the right to re-enter and take possession of the premises aforesaid.

In many cases the last provision of the contract varies and a common form is: "and if this agreement shall have been recorded in the office of the Register of Deeds, then the filing of a declaration of forfeiture (setting forth the fact of such failure), in said office by said first party shall be sufficient to cancel all obligations hereunto on the part of the first party and fully reinvest....." etc.

<sup>35</sup> From address before Old Settlers Association, 1906.

The Morton Land Company was one of the most prominent in the district, and Col. Morton, the head of the company, was well acquainted with the valley, having been interested in it from the time it was thrown open to settlement. From the earliest times he had sold large tracts of land on time to settlers who came without money but willing to work. He knew, as did the people in the district generally, that the land would pay for itself in a few years if carefully farmed, and, therefore, he ran no risk in advancing the use of the land. If the prospective purchaser should leave after the first crop the original owner was not a loser. He could afford to give the first crop for the breaking of the wild land.<sup>36</sup>

Having the above in mind and well aware that his clients were mostly men with little capital, Col. Morton developed what has come to be known as the crop-payment system of buying lands. Beginning about 1883 he sold many farms under this plan and has continued using it up to the present time, having sold thousands of acres of land. Other agents throughout the district have availed themselves of the form and hundreds of thousands of acres have been sold under it. As the plan has spread from place to place, it has taken on a variety of forms but all are based upon the original—"pay for the land out of the soil itself."

It has been common throughout the country to lease the land on shares, and the tenant pays in most cases one half of the crop as rent. The system of which we speak requires the purchaser to contribute one half of the crop, but this is credited to his account and goes to pay for the land, and is not paid as rent.

The best explanation of the system is given in the originator's words, and the following quotation comes from a letter to a prospective purchaser under the system.<sup>37</sup>

#### CROP PAYMENT SYSTEM.

"You can buy either wild land—or land in cultivation upon crop payments, provided you can satisfy us of your ability to properly farm the land you purchase. It may be that you are not acquainted with the crop-payment plan—therefore, we will enlighten you upon the subject—to illustrate: We sell you 320 acres of land for \$12.50

<sup>36</sup> The value of the time lost, and the cost of "breaking" and "back-setting," the first year were estimated to be the equivalent of one-half of the crop.

<sup>37</sup> Copied from *Morton's Daily Bulletin*, March 8, 1897, p. 2, about fifteen years after its first introduction.

per acre, or \$4,000. We give you a contract of sale—the \$4,000 aforementioned bears interest from date of sale, at the rate of 7 or 8% per annum, as may be agreed upon. Now, the contract provides that you are to pay for the farm from the farm—and that you are not to be called upon to pay otherwise, except at your own pleasure. We require that you turn in one half of the crop annually—and in addition your interest—until the principal sum of \$4,000 and accrued interest is fully paid.

By such an arrangement you can not possibly, except by some act of your own, lose the land. We cannot foreclose the contract, because the provisions of the contract specifically stipulate that you are to make your payments from the product of the land. If you should have a failure of crop, or a partial failure of crop, an experience heretofore unknown in this country, you could not be called upon to pay anything, beyond your interest account. We have sold hundreds of farms upon this plan..... and we have only two deals to regret—and that is where we were imposed upon by worthless parties. As by this plan of sale, we practically furnish the capital, or the bulk of it, for the farmer to do business upon, we are very careful to ascertain the kind of a man that we are dealing with.

In the first place we sell to no one not of unquestioned character and habits. We sell to no one that is not an experienced and competent farmer. We sell to no one that has not an ample equipment to cultivate properly the land he buys, and if he buys new land, he must be in a position to take care of himself until he has time to get returns from the purchase he has made. You understand that in this country the sod is turned over between the first of May and the first of July, then, thirty or sixty days later, it is turned back again, and the following spring the ground is in prime condition for the seed. You cannot break the land and get a crop off of it the same year, except in cases where flax is sown upon the sod, which, we have been told, has worked admirably, although we have had no experience of this kind ourselves. If you have the money to make the usual cash payment of one third of the purchase money, we give you a deed at once, taking back a mortgage for the deferred payments.

P. S. The best possible evidence of the fertility of the land is evidenced by the fact that the owner of the realty is entirely willing to accept as security—that realty alone—for the purchase price.

The general form of this contract has not been greatly changed. Very generally the vendor requires that the 20 or 25 per cent of the purchase price be paid at the beginning as a guarantee of good faith. Mr. J. B. Streeter, Jr., of Larimore, who used the system very largely says, "in selling lands on the crop payment plan, we require 25 per cent of the purchase price down and balance of the land can pay for itself by the purchaser turning in half the crop each year until the land is paid for." This method is so

common in the district that a regular printed form is in general use and poorly educated men often ask for this form to be sure that the vendor or lawyer does not insert something he does not understand.<sup>38</sup>

Slight changes are made in these contracts by the parties using them, to fit special desires. Thus we often find that after a small cash payment is made "one half or more of the *proceeds*"<sup>39</sup> is required to be paid over to the vendor each year and this sum is to be applied first in the payment of interest and second in the reduction of principal sum. A second common change provides that "said second party is to use his own judgment as to the kind and amount of each grain grown." Another clause often found is as follows:

"It is further agreed and understood that when the party of the second part has paid the sum of  $1\frac{1}{2}$  ( $\frac{3}{4}$  etc.) of the principal sum, the party of the first part will give him a warranty deed and take a first (or second) mortgage on the premises to secure the balance unpaid, at the rate of . . . . . per cent interest until paid, and the payments of said balance are to be made in the same manner as under this contract."

We have seen under this system that sometimes a specified amount of money was to be paid each year, or half of the proceeds from the crop, or half of the crop itself, but in each of these the value of the land was expressed in terms of money and a set rate of interest was charged.

Much is said in early histories and treatments of industrial development concerning the different commodities which have served as a medium of exchange or a measure of value. It may not be out of place to add "wheat" to the already lengthy list, or at least point out one of the ways in which it served in the capacity named. We have noted that the crop-contracts took on a great variety of forms, and not the least important, although never extensively used, was the one in which the value of the farm was estimated in terms of wheat. All of the important points will best be noted by giving an extract from one of the more common contracts:<sup>40</sup>

<sup>38</sup> For copy of the form of contract, see Appendix.

<sup>39</sup> The question in most of these cases is, How well does the vendor know the vendee, and how much does he trust him?

<sup>40</sup> It might be noted that John Birkholz, one of the largest dealers in real estate, loans, mortgages, etc., in the district was the vendor in this particular case.

And the second party agrees to pay to the party of the first part as and for the purchase price of said premises the sum of eighty-five hundred bushels of the best wheat that shall be grown on said premises.

One half of all the grain to be sown and grown on said premises in each and every year hereafter during the continuance of this contract, beginning with the crop for the year . . . . .; said one half of grain to be delivered in the elevator or on the cars at . . . . . or at some other convenient point not more remote, as said first party shall direct, within a reasonable time after threshing the same, and free from all expense or charge to the said first party; said grain to be delivered in the name of the first party, and to be by first party applied in reduction of said principal sum.

The second party further agrees that he will pay all taxes levied or assessed upon said premises, before the same become delinquent, beginning with the taxes for the year . . . . . that he will properly sow and plant during each and every year of the continuance of this contract, as much of said land as can be profitably sown and planted, and will have in crop during the year . . . . ., not less than 160 acres of wheat, and during each and every year thereafter while this contract continues in force, not less than 160 acres of wheat, also that during the continuance of this contract he will carefully watch over and protect all buildings, now or hereafter on said premises, and will in all respects farm and cultivate said premises in a careful and husbandlike manner. That should default be made in the delivery of said several payments of grain, or any of them, or any part thereof, as herein agreed, or in any of the covenants herein to be by the party of the second part kept and performed, then this agreement to be void at the election of the party of the first part, time being the essence of this agreement. That in case of default by said second party, in whole or in part of any or either of the covenants of this agreement by him to be kept and performed, he hereby agrees on demand of said first party, to quietly and peaceably surrender possession of the said premises and every part thereof, it being understood and agreed that until such default said party of the second part is to have possession of the premises. That all payments made hereunder whether in cash or grain, in case of the failure of the second party to fulfill the covenants contained herein, shall be forfeited, and are hereby declared to be liquidated damages for such failure, and time shall be and hereby is declared to be the essence of this contract.

It being further understood and agreed, That until the delivery of one half of the grain as aforesaid, during each and every year of this contract, and until the plowing is done for the succeeding years crops the legal title to and ownership and possession of all of said grain raised during each and every year shall be and remain in the first party. That nothing herein contained shall prevent said second party from paying in any year or years more than one half the grain as above stated, and having said extra payments applied upon said debt.



Here, then, we have an entirely new development or form of crop payment, but based upon the old idea that "the lands must pay for themselves." In the contract herein submitted the vendor retains much the same relation to the land as a landlord. He prescribes how the land shall be cultivated, the improvements cared for and how much grain shall be sown. He claims title to the grain until it is sold and he has gotten his one half and applied it to the reduction of the principal sum. Thus, if on the 160 acres the yield were 10 bushels per acre or the total yield 1,600 bushels, the vendor received 800 bushels and subtracted it from the 8,000 bushels (or estimated price of the farm), from year to year until the total amount had been paid.

From the standpoint of the vendee the system is a good one. Each year, all of the grain "turned in" is used to liquidate the debt, none of it being first applied to cancel the interest due, as in all other forms. In the contract cited above, one half or more of the grain raised each year could be applied to reduce the purchase price. In a poor year, if the crop was a total failure, no grain need be paid, no interest fell due, and the total debt did not increase. This, too, is a valuable consideration. In other contracts referred to, the one half applied first to pay the interest and any remaining amount to reduce the debt; and in case the half crop did not suffice to pay the interest, the debt was increased instead of decreased, and thus might, in case of several poor crops, grow into a sum larger than the exchange value of the land.

Another point for the vendee is the fact that he could apply one half or *more* of the crop any year. If, now, he secured means for a living from some other source, he could in two years of good crops pay for a quarter section from the land, at the rates cited in the above contract. Thus one farmer related that he had a crop of nearly 4,000 bushels on a farm which he bought for 8,000 bushels of wheat. He borrowed money to pay running expenses and cost of production, and contributed half of the purchase price.

It would have been a paying proposition to have purchased the remaining wheat necessary and thus paid for the entire farm because the exchange value of wheat was very low that year, while the land, on account of its demonstrated productive capacity, took on an advanced price. Indeed some intelligent farmers attempted to make final settlement in the way described, which strained the relations between the two parties to the action. The

vendor objected, since he had not contracted to accept 8,000 bushels of 40 cent wheat. He was right in his contention that he *could not* demand the full amount when wheat was selling for \$1.00 per bushel and that he *would not* accept any more than he absolutely had to when wheat was a "drug on the market."

The vendor had, in setting his price, compounded the present exchange value of the land, and expressed its value in terms of money or grain, due in the future. He saw that if the land produced an average of 15 bushels per acre it would thus pay for itself in seven years, and estimated ten years as a maximum, or an average payment of 800 bushels per year, which at an average of 75 cents per bushel would amount to \$6,000. At that time the land was selling for approximately \$3,000 for such a quarter section, which compounded at 6 per cent interest would amount to less than the real selling price even in ten years time, and considerably less in seven years time. From the viewpoint of the vendor, therefore, the bargain was a good one, but he would not be making any great profit if the amount were paid at a time when the wheat was at its very lowest price.

The uncertainty of the operation, combined with disagreements between the parties, tended to make this system unpopular as land values went up and it has been used but little for several years in that district, although the writer examined such contracts drawn as late as 1905.

With reference to the whole system of crop payments, whether the value of the land be estimated in terms of dollars or bushels of wheat, and whether it be paid "in proceeds" or "in kind," the basis is the same "pay for the farm out of the land itself." It is a substitute for tenancy. A share of the crop is submitted, not as rent but as a part of the purchase price, after interest has been paid.

In reference to this plan many interviews bring out the same thought. They may all be summed up in the words of James Holes: "The crop-payment plan offers an excellent opportunity for the careful farmer to obtain a home of his own, that should be appreciated by those who have hitherto been giving up half the crop for the use of the land. The half lost to them under the old arrangement will very quickly pay for the land."<sup>41</sup>

<sup>41</sup> The best testimony the writer could find was the extensive use made of this method of buying land. Thus, the vendors and vendees agreed in their approval of it.

This system of paying for the farm out of the land itself has been extended far into the northwest and its operation is explained in the following language by one of its strongest exponents in northwestern Canada:

"The tenant may become the owner, letting the land pay for itself on the half crop payment system. Under this plan the tenant pays \$2 an acre down and takes the whole of the first, or sod, crop. One half of succeeding crops is delivered to (the original owner) until their value, together with the original cash payment of \$2 an acre, equals \$25 an acre for the land purchased, with 5 per cent interest upon the deferred payments. If there is no crop in any one year, there is no payment to be made, . . . . ."

It is to be noticed about this plan that a cash payment of \$2 an acre is charged to start with, and that no part of the first crop is paid in. If the tenant-owner, as he is called, wishes to "move on," he has paid \$2 an acre rent for this year; if he decides to "stay," this \$2 an acre is credited to him as part payment. All necessary equipments with which to begin operations are practically supplied to him, and their cost must be paid for out of the tenant-owner's share of the crops, or out of his first crop. The plan is the Morton system very slightly modified.

JOHN LEE COULTER

*Bureau of the Census, Washington.*

#### APPENDIX: CROP CONTRACT FOR SALE OF LAND.

THIS AGREEMENT, Made and entered into this ..... day of ..... A. D. 190.. by and between ..... party of the first part, and ..... party of the second part;

WITNESSETH, That the party of the first part, ..... in consideration of the covenants and agreements of the said party of the second part hereinafter contained, hereby sells and agrees to convey unto the said party of the second part, or his assigns, by good and sufficient Deed or Warranty, on the prompt and full performance by said second party of his part of his agreement, the following described premises, situated in the County of ..... and State of North Dakota, to-wit: .....

And the second party agrees to pay to the party of the first part as and for the purchase price of said premises the sum of..... Dollars, with interest on all deferred payments at the rate of ..... per cent per annum, interest payable annually on the ..... day of ....., and to begin ....., said payments to be made in the manner and at the time following, to-wit: .....; also one-half ..... of all the grain to be sown and grown on said premises in each and every year hereafter and during the continuance of this contract, beginning with the crop for the year 190..; said one-half of grain to be delivered in the elevator or in the cars at ..... or at

some other convenient point not more remote, as said first party shall direct, within a reasonable time after threshing the same, and free from all expense or charge to the said first party; and said grain to be delivered in the name of the first party and to be by first party promptly sold and the proceeds thereof applied, first in the payment of interest on said sum at ..... per cent per annum, and second, in reduction of said principal sum .....

The second party also agrees that he will pay all the taxes levied or assessed upon said premises before the same become delinquent, beginning with the taxes for the year 190..; that he will during the proper season of the year 190.., break and backset in a suitable manner, not less than ..... acres, and during the year 190.. not less than ..... acres, and during the year 190.. not less than ..... acres, of the land herein described, now uncultivated; that he will properly sow and plant during each and every year of the continuance of this contract, as much of said land as can be profitably sown and planted, and will have in crop during the year 190.. not less than ..... acres of wheat, and during the year 190.. not less than ..... acres of wheat; .....; also that during the continuance of this contract he will carefully watch over and protect all buildings, fences and shade trees, now or hereafter on said premises, and will in all respects farm and cultivate said premises in a careful and husbandlike manner. That should default be made in the delivery of said several payments of grain, or any of them, or any part thereof, as herein agreed, or in any of the covenants to be by the party of the second part kept and performed, then this agreement to be void at the election of the party of the first part, time being the essence of this agreement. That in the case of default by said second party, in whole or in part of any or either of the covenants of this agreement by him to be kept and performed, he hereby agrees on demand of said first party, to quietly and peaceably surrender possession of the said premises and every part thereof, it being understood and agreed that until such default said party of the second part is to have possession of the premises. That all payments made hereunder whether in cash or grain, in case of the failure of the second part to fulfil the covenant contained herein shall be forfeited, and are hereby declared to be liquidated damages for such failure, and time shall be and is hereby declared to be the essence of this contract.

IT BEING FURTHER UNDERSTOOD AND AGREED, That until the delivery of one-half ..... of the grain as aforesaid, during each and every year of this contract, the legal title to and ownership and possession of all of said grain raised during each and every year shall be and remain in the first party. That nothing herein contained shall prevent said second party from paying in any year or years more than one-half ..... of the grain as above stated, and having said extra payments applied upon said debt. That this contract shall not be assignable by said second party without the written consent of the first party.

It is further agreed that any balance remaining unpaid on this contract shall become due and payable on ..... 190.., and such balance shall then be paid full in money.

## “THE EQUATION OF EXCHANGE” FOR 1911, AND FORECAST

The purpose of the present article is to supplement the statistics of “the equation of exchange” for the United States published a year ago in this REVIEW by including the figures for 1911, and discussing the indications for the future. The equation of exchange, expressed in algebraic symbols,<sup>1</sup> is

$$MV + M'V = PT.$$

The estimates as calculated independently for these six magnitudes,  $M$ ,  $M'$ ,  $V$ ,  $V'$ ,  $P$ ,  $T$ , show a remarkable self-consistency, and thus check each other's accuracy. The left side ( $MV + M'V$ ) is found to be 423 and the right side,  $PT$ , to be 420. These agree within  $\frac{3}{4}$  of 1 per cent. In order to eliminate this slight discrepancy, that is, to make all six magnitudes self-consistent, I have, as in previous years, arbitrarily corrected the original estimates. By this mutual adjustment or correction the six magnitudes are made to fulfill the equation of exchange exactly, and each magnitude is assigned its most probable value. The largest adjustment or correction was made, of course, in those magnitudes the first estimates of which were regarded as least trustworthy. The estimated values

<sup>1</sup>  $M$  signifies the money in circulation in the United States, exclusive of the amount in the United States Treasury and in banks.

$V$  signifies the velocity of circulation of the money  $M$ .

$M'$  signifies the bank deposits of the United States which are subject to check.

$V'$  signifies the velocity, or the rate of turn-over, or what is more familiarly known as the “activity” of the deposits  $M'$ .

$P$  signifies the level of prices in the United States in 1911 as compared with the level of 1909 taken as the base year.

$T$  signifies the volume of trade or the number of “units” of goods of all kinds which were exchanged for money or checks in 1911. The “units” here referred to are not bushels, quarts, pounds, tons, etc. ordinarily employed in commerce; but each “unit” is that amount which was worth one dollar in 1909, taken as the “base” year.

From the above definitions, it follows that:

$MV$  signifies the total amount of money expended for goods in 1911, and that  $M'V$  signifies the total value of the checks expended for goods in 1911, and that

$MV + M'V$  signifies the grand total of expenditure in 1911 by both money and checks. This grand total is equal to

$PT$  which is the product of the volume of trade of 1911 (in units each worth \$1 in 1909) multiplied by the price level of 1911 (relatively to 1909).

of these six magnitudes, as first calculated ("unadjusted") and also as afterward mutually corrected ("adjusted") are as follows:

	<i>M</i>	<i>M'</i>	<i>V</i>	<i>V'</i>	<i>P</i>	<i>T</i>	<i>MV+M'V'</i>	<i>PT</i>
Unadjusted	1.64	7.78	21.0	50.0	102.1	411	423	420
Adjusted	1.64	7.78	20.9	49.9	102.2	413	422	422

It will be seen that no one of the six figures as originally calculated needed to be "doctored" by more than  $\frac{1}{2}$  of 1 per cent in order to make them all fit together in the equation. The adjustments required in last year's calculations were about the same. Those in previous years were usually greater, although it seldom happened that any magnitude required an adjustment of over one or two per cent. This continued closeness of agreement is itself evidence of the substantial accuracy of the figures, although such surprising closeness of agreement as has been found in the last two years cannot be expected for every year. The "probable error" of several of the six magnitudes must surely exceed 1 per cent. In *The Purchasing Power of Money* (p. 303) the probable error of every magnitude is estimated at more than 1 per cent and as possibly reaching, in some cases, 10 per cent. The probable errors of *V* and *T* are the greatest.

It may interest the reader to compare the results of three successive calculations which were made for the year 1911. A first and very rough calculation was made in December, 1911, and used in a paper read before the Round Table Club of St. Louis, on December 12, 1911. At this time, of course, none of the data for 1911 were complete. A second calculation was made in February, 1912, and sent to Mr. Roger W. Babson, forecaster of market conditions. All the data for 1911 were then available except the index number for prices. The third and final calculation, which is here given, was made in March, 1912, after the missing figure for prices was obtained.<sup>2</sup> Of these three calculations, each succeeding one showed

<sup>2</sup> In the first calculation, *T* was estimated by employing as a very rough "barometer of trade" the gross earnings of railroads (in hundreds of millions of dollars) plus the production of pig iron (in millions of tons). I used this method for lack of any other method readily available at the time and after finding that its results agreed roughly (for the years 1903-10) with those of

a closer agreement (between the two sides of the equation) than its predecessor. In the first calculation the left side of the equation was 410 and the right 368, showing a discrepancy of about 10 per cent. In the second calculation the two sides were 423 and 415 respectively, showing a discrepancy of about 2 per cent, while in the third calculation, as above, the two sides are 423 and 420, showing a discrepancy of less than  $\frac{3}{4}$  of 1 per cent.

It is further interesting to observe how the independent calculations of the six magnitudes serve to check and correct each other even when individually the estimates are very rough. The mutual adjustment or correction of the six magnitudes may apparently be relied upon to produce, of itself, a certain degree of accuracy, even when many of the original data are themselves inaccurate. Thus the "adjusted" figures of the second calculation agreed almost exactly with those of the third or final calculation. The biggest disagreement was only about 1 per cent, being that for  $P$  which in the second calculation was dependent on Bradstreet's index number instead of that of the Bureau of Labor. Even the first of the three calculations (after mutual adjustment of the six magnitudes) showed a remarkable agreement with the third or final calculation, the maximum difference being in  $M'$  and  $T$ , both of which were about 7 per cent lower in the first calculation than in the third.

The results of the three calculations (*after* mutual adjustment of the six estimates in each case) are as follows:<sup>3</sup>

	$M$	$M'$	$V$	$V'$	$P$	$T$
First Calculation	1.6	7.3	21	50	104	384
Second Calculation	1.64	7.76	20.9	49.7	101	416
Third Calculation	1.64	7.78	20.9	49.9	102.2	418

the much more exact as well as much more laborious method which had been used in the *Purchasing Power of Money*. This latter method was employed in the second and third calculations as shown more fully in the Appendix below.

<sup>3</sup> The money ( $M$ ) was calculated from substantially the same data in all three calculations, the low result in the first calculation being due to the process of "adjustment," the unadjusted estimate being 1.63. The value of  $M'$  in the first calculation (which, unadjusted, was 7.4) was obtained simply by taking 46.8 per cent of the total "individual deposits" (15.9), this percentage being a surmise based on the known percentage for 1909 (*viz.* 48.2) and 1910 (*viz.* 47.5)

Taking into account all available considerations, I venture to feel confident that the figures for 1911 obtained by the third calculation are very nearly correct—those for  $M$  and  $M'$  being, in my opinion, correct within 1 per cent; those for  $V'$  and  $P$  within 2 per cent and those for  $V$  and  $T$ , within 5 per cent.<sup>4</sup>

Adding the figures thus found for 1911 to those found for 1896-1910 we obtain the following table showing the best available estimates of the six magnitudes in the years 1896 to 1911 inclusive:

Year	$M$	$M'$	$V^b$	$V'^b$	$P$	$T$
1896	.88	2.71	19	37	60.3	191
1897	.90	2.86	20	39	60.4	215
1898	.97	3.22	20	41	63.2	237
1899	1.07	3.88	22	42	71.6	269
1900	1.18	4.44	20	38	76.5	263
1901	1.22	5.13	22	41	80.5	291
1902	1.25	5.40	22	41	85.7	287
1903	1.39	5.73	21	40	82.6	310
1904	1.36	5.77	20	40	82.6	310
1905	1.45	6.54	22	43	87.7	355
1906	1.58	6.81	22	46	93.2	375
1907	1.63	7.13	21	45	96.2	384
1908	1.62	6.57	20	45	90.3	361
1909	1.61	6.68	21	53	100.0	387
1910	1.64	7.23	21	53	104.0	399
1911	1.64	.8	21	50	102.2	413

and assuming the same decrease in the following year. The second and third calculations of  $M'$  were the same and are given in full in the Appendix below. The calculations for  $V$  are all merely rough estimates obtained as explained in the Appendix. The method of estimating  $V'$  is the same in all three calculations (except that the first estimate required a guess for the clearings for the then unexpired part of 1911) and is explained in the Appendix.  $P$ , which in the first calculation was 101 (before adjustment), was simply taken as 3 per cent lower than the 104 of 1910, because Bradstreet's index numbers (for the eleven months of 1911 then elapsed) indicated that decline. The second calculation was based on Bradstreet's full figures for 1911 supplemented by the index numbers for prices of stocks as given in Babson's "desk sheet" (the index number of stock prices being "weighted" one tenth as heavily as Bradstreet's index number of commodity prices).

<sup>4</sup>For the details of the calculation see the Appendix.

<sup>5</sup>The figures for velocity of circulation are here given without decimals as it is believed that two significant figures exhaust, or nearly exhaust the degree of accuracy which can be claimed for these results. But in the Appendix the calculation is carried one place further and these closer calculations are of course the ones used in the multiplications by which the total values of the two sides of the equation are calculated.



The folding diagram shows graphically the change in all of the six magnitudes in the "equation of exchange" from 1896 to 1911 inclusive. By folding the diagram in various ways it is easy to place the balance of 1911 immediately under that of 1896 or of any other particular year and thus make a direct ocular comparison for each of the six magnitudes. Any two years can be directly compared in this manner.

The preceding table gives the figures for each of the six magnitudes separately. The following table shows the values of certain derivative magnitudes:

	Money Expendi- ture	Check Expendi- ture	Total Expendi- ture	Money Expendi- ture as per- centage of total	Check Ex- penditure as percentage of total	Deposits relative to Money	Virtual Velocity of Money including money in banks
	$MV$	$M'V'$	$MV+M'V'$ $\& PT$	$\frac{MV}{MV+M'V'}$	$\frac{M'V'}{MV+M'V'}$	$\frac{M'}{M}$	$\frac{MV+M'V'}{M+R^*}$
1896	16	99	115	14	86	3 1	80
1897	18	112	130	14	86	3 2	84
1898	20-	131-	150	13	87	3.3	89
1899	22	163	185	12	88	3.8	103
1900	24	170	194	12	88	3 6	99
1901	27	208	235	11	89	4.2	114
1902	27	219	246	11	89	4 3	115
1903	29	227	256	11	89	4 1	113
1904	28	228	256	11	89	4 2	107
1905	31 +	279 +	311	10	90	4 5	125
1906	34	315	349	10	90	4.3	132
1907	35	323	358	10	90	4.4	129
1908	32	294	326	10	90	4 0	107
1909	34	353	387	9	91	4 1	124
1910	34	381	415	8	92	4.4	134
1911	34	388	422	8	92	4.7	131

\*  $R$  = money in banks. Thus the "virtual velocity" of circulation of money is the quotient of the total expenditure (by money and checks) divided by the total money in use (in circulation and in banks).

### Comparisons and Outlook

Comparing now the figures for 1911 with those for 1910 we see that conditions have changed very little. The total expenditure increased from an estimated 415 billions of dollars in 1910 to an estimated 422 billions in 1911, that is, less than 2 per cent and about equal to the growth of population. The amount of *money* expended has remained the same, 34 billions. The amount of *checks*





expended increased from an estimated 381 billions to an estimated 388 billions or less than 2 per cent. One of the two factors of which this check expenditure consists (the volume of deposits subject to check) increased about  $7\frac{1}{2}$  per cent, but the other factor (the activity of these deposits) decreased almost as much, viz., about 6 per cent. In like manner, on the other side of the equation, the volume of trade increased slightly, nearly 4 per cent. As the net result of these changes in  $MV$ ,  $M'V'$  and  $T$ , prices fell about 2 per cent.

Thus only two of the six magnitudes increased during the year, viz., deposits,  $M'$ , and trade,  $T$ , and only one of these two,  $M'$ , increased at a rate equal to its average rate of increase in previous years. Money in actual circulation,  $M$ , has remained unchanged while the activity of deposits,  $V'$ , and presumably that of money,  $V$ , has declined, as has the price level,  $P$ . These changes fairly fulfill, except in one respect,<sup>6</sup> the forecast for 1911 made in my article a year ago.<sup>7</sup>

We see that money expenditure constitutes 8 per cent of the total expenditure, the other 92 per cent being by check. These are the same figures as for 1910, the lowest for cash and highest for checks in the table. We note that deposit currency is now nearly five times money in circulation, this ratio (4.7) being the high-

<sup>6</sup>  $M'$  instead of being the most affected by the general contraction proved to be the least.

<sup>7</sup> Referring to the diagram, it was then said:

"At the present writing the best indications seem to point to the conclusion that the year 1911 will show a general contraction, that is, a shrinkage of the weights in our mechanical balance, (especially  $M'$ ) and their movement toward the fulcrum—and this without a disturbance sufficiently acute to be called a crisis. However, it seems also probable, in view of all the circumstances of the case, and especially of the progressive increase in the gold supply, that the upward trend of prices and the tendency toward expansion of trade, and of money and deposits with their velocities, will be resumed within a year or two, continuing until the process does culminate in a crisis. In other words, in spite of the apparently impending recession, we are still in a period of incubation for a future crisis. The exact date of such a crisis, of course, it would be foolish to predict, but if it occurs at all, it would seem likely to occur between, say 1913 and 1916. This prognostication is, of course, purely tentative and based chiefly on the existence of the expansive tendency shown in the diagram and the fact that such a tendency led to the crisis of 1907 and, so far as our fragmentary knowledge allows us to judge, to the crises of 1857, 1866 and 1873."

est yet reached and the only indication in our figures of overdistension in 1911 as compared with 1910. This ratio, therefore, will not probably increase next year and is likely to decrease. The last column of the last table shows the total expenditure to be 131 times the total money in use in the United States (*i. e.*, including that in banks, but excluding that in the United States Treasury). This is the number of times a year which this money would need to be turned over in order to perform the total exchange work, and may therefore be called the virtual velocity of circulation of money. The figure (131) for 1911 is, next to that (134) for 1910 and that (132) for 1906, the highest in the table.

It would appear that the increase in deposits has been due to the great importation of gold during 1911. This has found its way first into the vaults of banks and has been used by them as a means of inducing their customers by low rates of interest to extend their loans, although the amounts loaned have been left on deposit and not used quite as actively as in 1910. At any rate the facts of 1911—(1) great imports of gold, (2) low rates of discount on bank loans, (3) increase in bank reserves, and (4) increase in loans and deposits—are facts which, on the above theory, fit well together.

Since in general all the factors,  $M$ ,  $M'$ ,  $V$ ,  $V'$ , and  $T$ , which determine the price level tend to increase from year to year and since the increase in the volume of trade,  $T$ , tends to *decrease* the price level,  $P$ , we may classify the five price determining factors into price-raising factors ( $M$ ,  $M'$ ,  $V$ ,  $V'$ ) and a price-depressing factor ( $T$ ). Among the price-raising factors, one ( $M'$ ) is not independent of the others but tends to rise or fall directly with  $M$ .<sup>8</sup> Only the ratio  $M'/M$  *i. e.*, deposits considered *relatively* to money, is an independent price-raising factor. Thus these four independent price-raising factors are: money in circulation ( $M$ ), deposits subject to check, considered as a multiple of money in circulation ( $M'/M$ ), and their velocities of circulation ( $V$  and  $V'$ ).

In last year's article the relative importance of the four independent price-raising factors (money  $M$ , its velocity  $V$ , deposits *relatively* to money  $M'/M$  and their velocity  $V'$ ) was gauged by calculating what the price level *would have been* had it not been for the increase in any particular factor. It was found, in this way,

<sup>8</sup> See *Purchasing Power of Money*, ch. 3.

that  $M$  was far more important as a price-raising factor than any one of the other three.<sup>9</sup>

In these comparisons the increase of deposit currency (relatively to money) and the increase of its velocity or activity are treated as separate causes. Let us now consider the combined effect of these *two* causes, which together constitute the *use of checks*. Had it not been for the increased use of checks, ( $M'V'$ ) relatively to money ( $M$ ), the price level of 1911, instead of being what it actually was, would have been 48 per cent lower; while, on the other hand, had it not been for the increase in money in circulation, the price level would have been 39 per cent lower. Consequently the increasing use of checks (relatively to the money in circulation) was, in the United States, a more important price-raising factor than the increase of money.

Considering the problem internationally, however, we must remember that the extraordinary expansion or inflation of credit currency in the United States tended toward producing an export of gold or at any rate to restrain the import of gold, just as, in the Civil War, the greenback inflation tended more effectively in the same direction. For the world as a whole, the increased use of checks (relatively to money) was doubtless a less potent price-raising influence than the increase of money. But the increased use of checks as will be shown in another article (to be published in September) must be reckoned with in the future by all nations—a fact usually overlooked by those who foresee a cessation of the rise in prices with a cessation in the increase of gold production.

It is interesting to observe that, although in 1911 the price level in the United States fell slightly, the price level of the world as a whole evidently rose. This is shown at least by the statistics of Canada, England, France and Germany. That American prices should have moved in the opposite direction from foreign prices is not surprising when we consider that, for a number of years, American prices had been rising more rapidly than foreign prices. The fact that the movements of prices at home and abroad in 1911 were in opposite directions tends simply to reestablish the former relative levels at home and abroad. It is true that this tendency to reestablish the international balance of price levels might have

<sup>9</sup> Because in particular,  $M$  not only affects the term  $MV$ , but also affects the term  $M'V'$ . Thus if  $M$  doubles while deposits ( $M'$ ) remain the same *relatively* to  $M$ , evidently deposits ( $M'$ ) will double also.

been expected to cause gold to be exported from America, where prices have been unduly high, to foreign countries, where they have been, relatively speaking, low; while, as a matter of fact, gold was largely imported in 1911. But it is reasonable to suppose that gold would have been imported in even greater abundance had the relative price levels not been as they were. The export or import of gold, as is well known, is sensitive to a number of causes. Among the causes which would tend in the direction of causing imports were the heavy exports of commodities, and we find, in fact, that the export of commodities in 1911 was large—larger than in any previous year. The explanation of these large exports seems to lie in the scarcity of food products abroad, where the drought of last summer was more felt even than here, and in the great American production of cotton and petroleum, which make up between a quarter and a third of all our exports. These increased in supply and decreased in price.<sup>10</sup>

The general fall, therefore, in American prices, when taken in connection with the general rise in prices abroad does not seem to indicate any widespread or permanent arrest in the general upward trend, although many writers are using this recession as an argument to prove such an arrest. These writers point out that the production of gold promises to cease increasing. In view of all the evidence, however, I am strongly inclined to the belief that the upward trend of prices will continue for many years although it would not be surprising if the present lull should last through 1912. Taking all things into consideration, the outlook for the next year or two in the United States would appear to be for a reduction of gold imports, a slackening in the growth of bank reserves and deposits ( $M'$ ); and an increase of money in circulation ( $M$ ), both absolutely and relatively to deposits. The activity of deposits seems likely to remain excessive and the volume of trade to increase slightly. The net result will probably be a slight rise in prices. In short, the outlook is for a slight general expansion.

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<sup>10</sup> That the prices of exports have greatly fallen from 1910 to 1911 is clear. The quantities of exports rose, as the Appendix to this article shows, about 25 per cent, while the value of exports only rose about  $7\frac{1}{2}$  per cent. This would indicate a fall in prices of goods exported of 14 per cent. The corresponding figures for imports indicate a rise of prices of about 1 per cent.

## APPENDIX

The details of the calculations for the six magnitudes in the equation of exchange for the United States in 1911 and their mutual adjustment are as follows:<sup>11</sup>

*M* (Money in circulation in the United States outside of banks and the United States Treasury): Data are from the *Report of the Comptroller of the Currency* for 1911:

Total Money in U. S. (p. 61).....		3.56	billions
Deduct Money in U. S. Treasury (p. 61)	.34	bill.	
Money in banks reported (p. 35)	1.55	"	
Estimated money in non-reporting banks <sup>12</sup>	.03	"	
	1.92	"	1.92
			1.64
Money in actual circulation			

*M'* (Deposits subject to check): Data are also from the Comptroller's *Report*:

Deposits subject to check June 7, 1911 (p. 57) 8.20 billions

Applying the following four items of correction:

- (a) For "Savings Deposits" improperly included" ..... — .32 bill.
- (b) "Exchanges for Clearing House" (p. 35) ..... — .36 "
- (c) Island Possessions (p. 788).... — .03 "
- (d) Nonreporting Banks<sup>14</sup> ..... + .29 "

— .42 " .42 "

Revised estimate of deposits subject to check 7.78 "

<sup>11</sup> My thanks are due to many persons for providing me with data. I wish to express my obligations in particular to Mr. Lawrence O. Murray, the Comptroller of the Currency, Dr. Charles P. Neill, Commissioner of Labor, Mr. O. P. Austin, Chief of the Bureau of Statistics, and Professor Wesley Clair Mitchell, for their kindness in supplying me with statistics, most of them being in advance of publication.

<sup>12</sup> Estimated on the assumption that the money in non-reporting banks ( $x$ ) bears the same ratio to their estimated individual deposits (.56, p. 37) as the total reported money in other than national banks (.56, p. 61) bears to the total reported individual deposits in these banks (10.4, p. 56); so that  $x = \frac{.56}{10.4} \times .56 = .03$ .

<sup>13</sup> Estimated at  $\frac{1}{2}$  "savings deposits in national banks, \$637,000,000, included with the individual deposits and certificates of deposits" (p. 57, footnote 2).

<sup>14</sup> Estimated on the assumption that the deposits subject to check of non-reporting banks ( $x$ ) bear the same ratio to the total reported deposits subject to check (8.20, p. 57) as the estimated individual deposits of non-reporting



**V** (Velocity of circulation of money): The calculations are based on those in *The Purchasing Power of Money*, p. 478. They all rest on original data for two dates, in 1896 and 1909.

$V$  for 1910 would be  $21.7^{15}$  or  $21.2^{16}$  of which the average is 21.4.

$V$  for 1911 would be  $21.9^{15}$  or  $20.2^{16}$  of which the average is 21.0.

**M'V'** (Check circulation in the United States): Data are from the *Financial Review*.

(1)	New York Clearings (2)	Outside Clearings (3)	Crude Barom- eter (2)+5x(3) (4)	Cor- rective Ratio (5)	Refined Barom- eter of check transact- ions (4)×(5) (6)	Reduced by proportion to agree with the final esti- mate for 1910 =381 billions (7)
1910	97.3	66.4	429	.89 $\frac{1}{2}$ <sup>17</sup>	384	381
1911	92.3	67.7	431	.91 <sup>17</sup>	392	389

**V'** (Activity of deposits subject to check): Check circulation for 1911 (Estimated above) ..... 389 billions

Deposits subject to check, 1911 (estimated above).. 7.78 "

$$\frac{389}{7.78} = 50 \text{ times a year.}$$

Estimated  $V'$

**P** (The price level of 1911 relatively to 1909): The calculations for  $P$  are based chiefly on the index numbers of the United States Bureau of Labor for 257 commodities (wholesale prices). These are supplemented by the index number for the prices of 40 stocks worked out by Professor Wesley Clair Mitchell and the two are averaged by the process employed last year and in the *Purchasing Power of Money*. The results are as follows:

	Wholesale prices 257 commod.	(1) Per cent.	40 stocks	(2) Per cent.	Average: 10 (1)+(2) 11	Reduced to 1909 as base year
1910	131.6	100	254	100	100	104.0
1911	129.3	98.2	248	97.6	98.1	102.1

Note 14 continued: banks (.56, p. 37) bear to the total reported individual deposits (15.9, p. 35), so that  $x = \frac{.56}{15.9} \times 8.20 = .29$ .

<sup>15</sup> If  $V$  increased at the same rate that it did between 1896 and 1909 (from 18.6 to 21.5).

<sup>16</sup> If  $MV + M'V'$  decreased at the same rate that it did between 1896 and 1909 (from 16.7 per cent to 9.6 per cent).

*T* (Volume of Trade): This is estimated by applying to the final estimate for 1910 the percentage of growth from 1910 to 1911. This percentage of growth is a weighted average percentage growth of the *quantities* of goods exchanged in the two years. An average growth ratio is obtained for five groups, viz., (1) goods in internal commerce, (2) goods imported, (3) goods exported, (4) cars handled, and (5) par values of shares of stocks sold. The last two contain no price element. The price element in the first three is eliminated by taking the *quantities* in both years and multiplying by weights, which are the same for both years. These weights are taken as roughly equal to the prices of either year. The data are from the *Monthly Summary of Commerce and Finance* of the United States and those for stocks from Babson's desk sheet.

The detailed data upon which the foregoing calculations are based will be found on the following pages:

<sup>17</sup> Based on the rate of change indicated by the figures for 1896-1909. (See *Purchasing Power of Money*, p. 448.)

The articles used for internal commerce were:

						1910		1911	
						Quantity (in mill.)	Value (in mill.)	Quantity (in mill.)	Value (in mill.)
Cattle	(received at 7 cities)	at \$55.00 per	head						
Cattle	" 8 "	" 55.00 "	"			9.3	511.5	8.8	484.0
Cattle	" 4 "	" " "	"			2.3	126.5	2.0	110.0
Calves	" 5 "	" 8.00 "	"			1.1	60.5	1.1	60.5
Calves	" 5 "	" 8.00 "	"			1.0	8.0	1.0	8.0
Calves	" 4 "	" 8.00 "	"			.5	4.0	.4	3.2
Calves	" 4 "	" 8.00 "	"			.6	4.8	.7	5.6
Hogs	" 7 "	" 23.00 "	"			15.7	361.1	20.8	478.4
Hogs	" 8 "	" 23.00 "	"			4.8	110.4	6.2	142.6
Hogs	" 4 "	" 23.00 "	"			9.9	75.9	4.0	92.0
Sheep	" 7 "	" 5.50 "	"			12.4	68.2	13.6	74.8
Sheep	" 8 "	" 5.50 "	"			2.3	12.7	2.5	13.8
Sheep	" 4 "	" 5.50 "	"			3.2	17.6	3.9	20.9
Horses and mules	" 7 "	" 75.00 "	"			.4	30.0	.5	37.5
Horses and mules	" 6 "	" 75.00 "	"			.1	7.5	.1	7.5
Wheat	" 16 "	" 1.10 "	bu.			272.0	299.2	262.6	288.9
Wheat	" lakeports	" 1.10 "	"			36.7	40.4	41.9	46.1
Wheat	" 6 seaports	" 1.10 "	"			42.5	46.8	68.6	75.5
Corn	" 16 cities	" .70 "	"			244.3	171.0	234.5	178.2
Corn	" lakeports	" .70 "	"			32.3	22.6	38.0	26.6
Corn	" 6 seaports	" .70 "	"			38.8	27.2	51.6	36.1
Oats	" 16 cities	" .35 "	"			218.3	76.4	197.3	69.1
Oats	" lakeports	" .35 "	"			20.7	7.2	22.6	7.9
Oats	" 6 seaports	" .35 "	"			40.0	14.0	43.6	15.3
Barley	" 14 cities	" .65 "	"			80.9	52.6	76.4	49.7
Barley	" lakeports	" .65 "	"			13.8	9.0	10.1	6.6
Barley	" 6 seaports	" .65 "	"			15.2	9.9	16.1	10.5
Rye	" 15 cities	" .75 "	"			7.4	5.6	9.6	7.2
Rye	" lakeports	" .75 "	"			1.0	.8	2.2	1.7
Rye	" 6 seaports	" .75 "	"			.9	.7	1.1	.8

				Quantity (in mill.)	Value (in mill.)	Quantity (in mill.)	Value (in mill.)
Grain	(shipped via trunk line)	at	bu.	126.3	75.8	122.1	73.3
Flaxseed	(received at 7 cities)	"	2.50 "	14.0	35.0	13.7	34.3
Flaxseed	" " lakeports	"	2.50 "	"	7.8	4.5	11.3
Flour	" " 13 cities	"	5.50 "	3.1	135.3	21.8	119.9
Flour	" " 6 seaports	"	5.50 "	16.6	91.3	17.7	97.4
Flour	(shipped via trunk lines)	"	5.50 "	4.2	23.1	2.9	16.0
Flour	(received at lakeports)	"	5.50 "	12.0	66.0	12.0	66.0
Cotton	" " 3 cities	"	75.00 "	.7	52.5	.7	52.5
Cotton	(total in sight)	"	75.00 "	8.4	630.0	9.5	712.5
Cotton	(received at 29 towns)	"	75.00 "	4.3	322.5	5.0	375.0
Cotton	" " seaports	"	75.00 "	6.1	47.5	7.1	532.5
Coal	(anthracite shipments)	"	6.00 "	64.9	389.4	70.0	420.0
Coal	(received at 2 cities)	"	6.00 "	.2	1.2	.2	1.2
Coal	" " lakeports)	"	6.00 "	4.2	25.2	4.4	26.4
Coal	(bituminous, received at 7 cities)	"	3.00 "	13.9	41.7	12.0	36.0
Coal	" " " lakeports	"	3.00 "	18.4	55.2	17.1	51.3
Coal	" (hailed by 12 R. R.'s)	"	3.00 "	141.9	425.7	144.6	433.8
Coke	" " "	"	2.00 "	27.5	55.0	22.3	44.6
Coke	(from Connellsville)	"	2.00 "	18.7	37.4	16.3	32.6
Coke	(received from 2 cities)	"	2.00 "	.9	1.8	.9	1.8
Pig iron	(output)	"	18.00 "	26.9	484.2	23.3	419.4
Pig iron	(received at 2 cities)	"	18.00 "	.5	9.0	.5	9.0
Iron ore	" " lakeports	"	3.00 "	41.4	124.2	31.1	93.3
Fruit	" " 2 cities	"	.01 "	197.3	2.0	205.0	2.1
Lumber	" " lakeports	"	.021 "	1208.0	25.4	1164.0	24.4
Lumber	(shipped from Mississippi and Wisconsin valleys)	"	.021 "	1186.0	2.5	1258.0	2.6
Lumber	" " 7 seaports	"	.091 "	661.8	14.0	639.0	13.5
Lumber	(shipments Pacific N. W.)	"	.021 "	849.0	17.8	656.9	13.8
				Total	5635.6		5908.3
				Per cent	100%		105%

The articles used for exports were:

		1910		1911	
		Quantity (in mill.)	Value (in mill.)	Quantity (in mill.)	Value (in mill.)
Cattle	at \$85.00 per head	.1	9.4	.2	13.9
Hams and shoulders	" .12 " lb.	131.0	15.7	190.0	22.8
Salt pork	" .10 " "	41.5	4.2	50.9	5.1
Fresh beef	" .10 " "	55.5	5.6	28.8	2.9
Canned beef	" .11 " "	11.5	1.3	11.2	1.2
Bacon	" .13 " "	128.0	16.6	198.0	25.7
Lard	" .12 " "	369.0	44.3	552.0	66.2
Butter	" .24 " "	8.1	.7	6.4	1.5
Sole leather	" .21 " "	38.6	8.1	42.7	9.0
Boots and shoes	" 1.70 " pair	7.8	13.3	8.5	14.5
Raw cotton	" 70.00 " bale	7.1	497.0	8.6	608.0
Cotton cloth	" .07 " yard	296.0	20.7	410.0	28.7
Corn	" .60 " bu.	42.7	25.6	61.6	37.0
Wheat	" 1.00 " "	24.3	24.3	32.7	32.7
Flour	" 5.00 " bbl.	8.4	41.9	11.3	56.5
Tobacco leaf	" .11 " lb.	324.0	35.6	366.0	40.3
Timber	" 23.00 " M. ft.	.4	10.2	.5	11.0
Wood pulp	" .02 " lb.	16.7	.3	19.0	.4
Linseed oil (cake)	" .015 " "	656.0	9.8	596.0	7.9
Refined illuminating oil	" .06 " gal.	940.0	56.4	1110.0	66.6
Cottonseed oil	" .07 " lb.	177.0	12.4	328.0	22.6
Coal (anthracite)	" 5.00 " ton	3.0	15.1	3.6	17.8
Coal (bituminous)	" 2.50 " "	10.8	27.0	13.9	34.8
Copper	" .13 " lb.	708.0	92.0	787.0	102.0
Steel rails	" 30.00 " ton	.4	10.6	.4	12.6
Sheets and plates	" .02 " lb.	615.0	12.3	834.0	16.7
Boards, planks, and deals	" 22.00 " M. ft.	1.9	41.8	2.2	48.8
Structural iron and steel	" 42.00 " ton	.1	6.6	.2	10.0

		Quantity (in mill.)	Value (in mill.)	Quantity (in mill.)	Value (in mill.)
Wire	at .025 per lb.	385.0	9.6	515.0	12.9
Pipes and fittings	" .025 " "	349.0	8.7	442.0	11.1
Rosin	" 6.00 " bbl.	2.3	13.6	2.4	14.5
Spirits of turpentine	" .60 " gal.	14.3	8.6	18.2	10.9
Lubricating and heavy paraffine oil	" .13 " "	164.0	21.3	183.0	23.8
Oleo oil	" .10 " lb.	105.0	10.5	163.0	16.3
Cottonseed oil (cake)	" .015 " "	739.0	11.1	1030.0	15.5
Automobiles	" 1200.00 " unit.	.008	10.1	.016	19.0
		Total	1152.3		1436.2
		Per cent	100%		125%

#### Articles used for imports were:

		1910	1911
Cotton (unmanufactured)	at \$ .20 per lb.	85.3	17.1
Cotton cloth	" .15 " sq. yd.	55.2	8.3
Rice	" .02 " lb.	225.0	4.5
Boards (sawed lumber)	" 18.00 " M. ft.	.9	17.0
Bituminous coal	" 3.00 " ton	2.0	6.0
Coke	" 4.00 " "	.2	.6
Pig iron	" 27.00 " "	.2	6.4
Wheat	" .90 " bu.	.1	.1
Wheat flour	" 4.00 " bbl.	.2	.8
Oats	" .40 " bu.	.8	.3
Flaxseed	" 2.00 " "	9.0	18.0
Cocoa (crude)	" .10 " lb.	116.0	11.6
Cocoa or chocolate (unmanufactured)	" .25 " "	2.7	.7
Tea	" .20 " "	98.0	19.0
Coffee	" .10 " "	804.0	80.4
Cane sugar	" .03 " "	4190.0	125.7

	1910			1911		
	at	Quantity (in mill.)	Value (in mill.)	Quantity (in mill.)	Value (in mill.)	
Lemons	.02 per lb.	150.0	3.0	130.0	2.6	
Bananas	.30 " bunch	40.0	12.0	45.0	13.5	
Cheese	.15 " lb.	44.0	6.6	45.0	6.8	
Distilled spirits	1.50 " gal.	4.0	6.0	3.3	5.0	
Sparkling wines	16.00 " doz. qt-s.	258.0	4.1	252.0	4.0	
Leaf tobacco	.60 " lb.	42.0	25.0	53.0	32.0	
Woollen dress goods	.20 " sq. yd.	42.0	8.4	21.0	4.2	
Raw silk	3.00 " lb.	22.0	66.0	21.0	63.0	
Hides, skins	.20 " "	460.0	92.0	424.0	84.8	
India rubber	1.00 " "	90.0	90.0	82.0	82.0	
Raw wool	.20 " "	180.0	36.0	155.0	31.0	
Tin	.30 " "	105.0	32.0	107.0	32.0	
Copper (manufactures of)	.12 " "	259.0	31.0	266.0	32.0	
Nitrate soda	.32.00 " ton	.5	17.0	.6	18.0	
Bristles	.90 " lb.	3.7	3.3	3.2	2.9	
Clays, earth	7.00 " ton	.3	2.0	.3	2.3	
Macaroni	.04 " lb.	113.0	4.5	117.0	4.7	
Cement	.40 " 100 lbs.	1.2	.5	.7	.3	
Mineral oil	.05 " gal.	24.0	1.2	69.0	3.4	
Molasses	.04 " "	28.0	1.1	26.0	1.0	
Wood (pulp)	.01 " lb.	1000.0	10.0	1125.0	11.3	
Beans	1.70 " bu.	1.0	1.7	.9	1.4	
Cigars and cigarettes	3.00 " lb.	2.0	6.0	1.3	4.0	
Spices	.08 " "	52.0	4.2	58.0	4.6	
Paper	.02 " "	115.0	2.3	119.0	2.4	
Lead	.02 " "	217.0	4.3	180.0	3.6	
Iron ore	3.00 " ton	2.6	7.8	1.8	5.4	
	Total		794.0		768.0	
	Per cent		100%		96%	

The results showed an increase of 5 per cent in the quantities of goods in internal commerce as between 1910 and 1911, a decrease of 4 per cent in the quantities of goods imported, an increase of 25 per cent in the quantities of goods exported, an increase of 11 per cent in the combined quantities exported and imported, a decrease of 10 per cent in the cars handled and of 23 per cent in the shares sold. These percentages were then weighted according to the scale used last year and in the *Purchasing Power of Money*, the weights being 20 for internal commerce, 3 for exports and imports combined, 2 for cars handled and 1 for shares.<sup>18</sup> The result of this averaging is an increase of 3 per cent.

<sup>18</sup> The reasons for this selection of weights are given in *The Purchasing Power of Money*, p. 485. See also p. xxii.



## REVIEWS AND NEW BOOKS

### General Works, Theory and Its History

*Social Value. A Study in Economic Theory, Critical and Constructive.* By B. M. ANDERSON. Hart Schaffner and Marx Prize Essays in Economics. (Boston: Houghton Mifflin Company. 1911. Pp. xviii, 199. \$1.00.)

A positive concept of value, or of worth underlying exchange ratios, has long been regarded as a logical necessity of economic theory. For an analysis of the price-making forces in a pecuniary economy the purely relative conception of value was perhaps more fruitful than any other would have been. But we cannot arrive at a sum of value—something we must posit in our analysis of the distributive process—so long as we conceive of values as mere ratios. And indeed, value as a ratio implies as a substratum some quality common to all things compared in the valuation process. Strictly speaking there can be no ratio between wheat and gold; there can be a ratio between the quantities of a homogeneous quality shared in by both wheat and gold.

This quality, common to all commodities, Karl Marx finds to be "socially necessary labor"; Wieser attempts to identify it, in a "natural" state at least, with marginal utility; Professor Clark finds the all-pervading substance of values to be the effective utility of commodities to society, viewed as an organic whole. Related to this view, but not very closely related, is Dr. Anderson's concept of social value. Value, according to him, is the power an object exercises over human motives, and the origin of this power is essentially social. The common element in commodities is a socially created power over the actions of men.

That values in the non-economic field—ideal values—are of the nature imputed to economic values by Dr. Anderson, is something most of us would admit without argument. It is obvious that a social process has built up the values of honor and justice, chivalry and patriotism. No considerations of personal utility can explain the conduct of men under the influence of such values. It is a chief part of Dr. Anderson's service that he has brought to bear upon economic values the results of studies in value carried on by investigators in the fields of psychology, ethics and

sociology. Economic value, after all, is nothing unique in the world. It has its peculiar characteristics—a definiteness, derived from the constant comparisons made in the course of the exchange and production processes; a capacity for subjection to a marginal determination, not possessed by the values of ethics and jurisprudence. But in origin and in function, as Dr. Anderson shows, economic and non-economic values are alike. And furthermore, ethical, legal and economic values mutually condition one another. No one of them can be adequately explained without reference to the others. The social forces that make for a change in the one also produce changes in the others.

To the Austrians and their disciples, value is based upon feeling (pleasure or pain) or upon desire—strictly individualistic elements. That this view is out of harmony with the facts is evident. What man derives feelings of pleasure from all the things he values, or experiences desire for them? Value, Dr. Anderson points out, contains feeling and desire as structural elements. But the functional aspect of value, power in motivation, cannot be explained by these elements alone. The whole personality must be brought into play, and not merely in its individual aspects, but in its social relations, as well. Acceptance of the view that the functional aspect of value is of chief significance practically constrains one to accept the view that values are, at least in large part, social.

On first inspection, this doctrine of the nature of value appears to be revolutionary. How far would its acceptance compel us to modify existing theories of price and of distribution? Dr. Anderson states his conviction that the greater part of current value theory is valid, so far as its bearing upon prices is concerned. He also insists strongly that his theory assumes a neutral position in respect to questions of distributive justice. The reviewer inclines to the opinion that Dr. Anderson is overmodest in his claims. When fully worked out, a social value theory will probably explain many of the cases of value which prove refractory under the marginal utility analysis. Applied to the problem of wages, it will possibly result in a decided modification of opinion as to the efficacy of certain forces economists are now inclined contemptuously to ignore.

Dr. Anderson's own claim for his theory is that it fully satisfies the logical need for a substratum of positive values as a basis

for exchange ratios, and that it is the only theory that can meet this need. The positive value concept of Wieser and his followers is, according to Dr. Anderson, essentially fallacious. Exchange ratios are explained, not by utility schedules, but by demand schedules. Demand, however, implies the existence of values. Thus value is called into service to explain value—a vicious circle. To the reviewer, the criticism does not appear to be valid. Given the existing constitution of things, the value of a thing newly created can be explained only with reference to values antecedently existing. The value of a newly found diamond will depend in large part upon the existing distribution of wealth. This means that present values are parts of a structure reaching far into the past. But is not this the truth? If we could grasp the whole process from the beginning, might we not say that we had explained value without assuming it? If we assume the conditions of economic life just beginning, we shall have no difficulty whatever in rearing a structure of exchange values, even upon the presuppositions of a purely individualistic psychology. The positive value doctrine of the Austrians is no doubt psychologically untenable; logically it is probably as sound and as useful as any other.

Dr. Anderson's own theory, as a psychological theory, encounters the same difficulty. An illuminated manuscript is worth \$20,000; it embodies as much social value as 40,000 bushels of corn. Why? Because Mr. Morgan, perhaps alone of mankind, covets it. We cannot explain the price of \$20,000, nor the underlying value, without reference to the antecedent distribution of wealth—a value phenomenon. To be sure, there are a number of indications in Dr. Anderson's book that he would argue that Mr. Morgan is himself a manifestation of social value, that all the factors that can bear upon current values make up the current social valuation process.<sup>1</sup> Such a doctrine would make it possible, no doubt, to escape all logical difficulties. It would make exchange ratios correspond, in all cases, with underlying social values. But this is a purely logical doctrine of social value: it is a mere redefining of terms, a restatement of a problem. It bears no close relation to the psychological doctrine of social value, which is Dr. Anderson's principal contribution. For, however elaborate our psychological analysis of social forces affecting

<sup>1</sup> Cf. pp. 137, 149, 151, 160.

values, there will remain instances of exchanges that cannot be explained by it. The world has recognized for thousands of years that social value principles do not justify the exchange of one's birthright for a mess of pottage.

No one would assert that the social values in the non-economic field are universally valid. Among a patriotic people, treason is still to be found. Atheism does not wholly disappear even in a religious age. The social values in this field are dynamic; they are forcing themselves upon a society not yet wholly organic. And the analogy will hold in the economic field. Though many exchanges are characterized by accident and whim, force and fraud, we may assume that the majority are controlled by organic social forces. Whether this modified social value doctrine satisfies our logical needs or not, it appears to be the only one that the facts will warrant us in accepting.

Dr. Anderson's essay is in many respects a remarkable piece of work. Its author displays an extraordinary familiarity with the methods and results of contemporary ethics, sociology, psychology and philosophy, and extraordinary skill in utilizing materials derived from these fields. The argument of the book is clear and convincing. Although the issues involved are difficult of comprehension, the exposition is so excellent as easily to command the reader's attention. In the judgment of the reviewer, the essay is one that will have to be taken into account in future construction of value theory.

ALVIN S. JOHNSON.

*Stanford University.*

*Outlines of Political Economy.* By S. J. CHAPMAN. (New York: Longmans, Green and Company. 1911. Pp. xvi, 413. \$1.25.)

The author designs this book for any who are beginning the study of political economy, and acknowledges his indebtedness to Dr. Marshall's teaching. The work is divided into seven parts dealing with Scope and Method, Consumption, Production, Exchange, Money, Distribution, Public Economics, and Public Finance. The chapter on Markets with a discussion of speculation and its effect on prices is put under production rather than under exchange.

Since this elementary treatment of the subject naturally makes no attempt to contribute anything new to theory, its value must be judged from the pedagogical standpoint. Actual trial would be necessary to determine this; and the personality of the teacher and the quality of the class would be important factors. But, on the basis of over twenty years' teaching of elementary economics, the reviewer judges it to be ill-adapted to its expressed purpose.

The treatment is very abstract; it lacks life and vitality of argument, illustration, and tone. While the mathematics and diagrams are separated from the main argument, one has the feeling that the whole matter of economic theory is regarded from the standpoint of a mathematical mind rather than as a matter of absorbing human interest. That the latter is not inconsistent with correctness and exactness of discussion was proven years ago by Professor Marshall's *Elements of Economics*, which to so many beginners has revealed the human significance of economic theory. In the book before us too much attention relatively is paid to certain logical differences of definition and discrimination. The style is repellant. The author, in tiresome repetition, comments upon his progress by such statements as "I will now explain"; "I shall first expound"; and this constant use of the first person is unpleasant. Despite some interesting discussions, as, for example upon the scientific nature of economics and the possibility of reducing to generalization and law the actions of volitional beings, it is to be feared that a student or reader would, on the basis of this book, consider economics dry and tedious. Upon various points of theory there would be difference of opinion. The statement on page 29 that "increases of utility are called marginal utilities," making the utility of *every* increment rather than the last one actually possessed the marginal one, is not only against best usage but vague and confusing.

Finally, the only significant judgment upon such a book must be comparative. Certainly there are at least four or five textbooks much superior. Remembering these and remembering that the whole subject of the method of teaching economics is undergoing consideration and experiment that may revolutionize it in such way as to reduce to comparative insignificance the traditional didactic textbook, it is to be hoped that economists will appreciate that there is diminishing utility from additions to the supply of

textbooks, and that new methods frequently make existing capital obsolete.

*Vassar College.*

HERBERT E. MILLS.

*Disturbing Elements in the Study and Teaching of Political Economy.* By JAMES BONAR. (Baltimore: Johns Hopkins Press. 1911. Pp. 145. \$1.00.)

This small but heavily freighted book by the Canadian Mint Master is made up of five lectures—forming as many chapters—which were delivered “in the Johns Hopkins University, April 25-29, 1910, before the Economic Seminary, at whose desire, by the courtesy of the University, they are now printed.”

Quite explicably, but also quite unfortunately, the longer title, here quoted from the title page, has been truncated into the misleading cover title, “Study and Teaching of Political Economy.” As Mr. Bonar’s own title for his lectures suggests, they are “discourses on the more subtle fallacies which are apt to invade the reasoning of trained economists in spite of learning and discipline.” “Such errors creep in from a popular political philosophy, from want of any political philosophy, from mistaken aversion to theory, from the shortcomings of common or technical language, and from the wrong handling of distinctions of time.” These sources of error suggest the happily chosen titles of the five lectures or chapters: “Liberty, Equality, Fraternity”; “Government is Founded on Opinion”; “It may be so in Theory”; “Figures can Prove Anything”; and “In the Long Run.”

Though the book is concerned with what may be called the philosophy and method of the science of economics, it deserves a place quite apart from others in that field. In its one hundred thirty small pages of regular text there are condensed volumes of broad, kindly criticism and philosophy. Almost every sentence could well have been expanded to a page. While the book merits careful and studious consideration for the thought it offers and provokes, it should receive the even higher praise that its charm of style, its Puck-like humor, will allure the reader in his idler hour. Every page sparkles with sentences that tempt the reader to quotation: “Certain aids in study and teaching are apt to become hindrances when tenderly fondled;” . . . “to overcome our own bias, we may adopt another man’s bias”; “Certain disturbing elements or alien influences have in times past prevented

economic reasoning from being quite pure. Not even the youngest of us escapes them entirely"; "The watchword is often a walking prejudice"; "It does not belong to his own particular range of study, but comes from the street into his room, like notes of a passing band of music, awaking old memories and associations"; "It is a fairly safe conclusion that the ideas not only of liberty and equality, but of fraternity, will always be with us, and we may thank Mill for securing to the last its *entrée* into the good society of political economists."

The reviewer wishes the readers of the ECONOMIC REVIEW to get the book and share his enjoyment. To this end it would be of little use to attempt to analyze, or summarize, or criticize Mr. Bonar's chapters.

GEORGE RAY WICKER.

*Dartmouth College.*

*Sociology Applied to Practical Politics.* By JOHN BEATTIE CROZIER. (New York: Longmans, Green and Company. 1911. Pp. xi, 320. \$3.00.)

This book consists of a group of articles which Dr. Crozier has contributed at various times during the past ten years to the English magazines. The title, if not a misnomer, is at least misleading; the "Sociology" which is applied to practical political problems is highly speculative, and has none of the authority of science except in the sense that all speculative philosophical opinions are scientific. Some of the problems to which this "Sociology" is applied have very little to do with practical politics. A number of the earlier articles deal with certain phases of the socialism of Marx, the Fabian Society, and Mr. H. G. Wells—not matters of practical politics for the English reading public. The second half of the book is devoted to the advocacy of a revision of the English tariff in the interests of high protection. Tariff reform is assuredly a problem of practical politics, but its discussion occupies so large a proportion of the book that the subject might well have been incorporated in its title. Apart from a paper on the "Race Problem and Party Government," Dr. Crozier has merely reprinted a series of essays on certain phases of socialism and protectionism.

These essays were better worth reading as separately printed between the covers of a magazine than in a collection. If Dr.

Crozier, instead of reprinting this group of essays, had rewritten their substance, cutting out those passages in which he repeats himself or in which he has been proved by the course of events to be mistaken, the book need not have been half as long. As it is, the judicious reader will be obliged to make for himself those excisions which should have been made by the author.

It does not follow that the book is not worth reading. Dr. Crozier is a man of salient intellectual individuality. He began many years ago to build up a philosophy of social progress; and the several books which he has published as parts of his general scheme have all contained vigorous and independent thinking. He has made a genuine personal contribution to the discussion of our contemporary social problems and their historical background. But his thinking has always been more spasmodic and energetic than systematic and careful. He is sometimes betrayed by the liveliness of his imagination and the intolerance of his independence; and in dealing with economic questions he seems peculiarly liable to such betrayal. His *Wheel of Wealth* was not much more than an ingenious effort to base a system of economics on a metaphor. His discussion of tariff reform in the present book is an illustration of the same kind of insistent imaginative credulity; it adds little to what he has already published in support of high protectionism. On the other hand, these essays, as well as those on certain phases of socialism, contain much shrewd and penetrating comment on the human aspects of modern social and economic questions. Dr. Crozier is not always sound, but he is usually interesting; and if he is less interesting than usual in this particular book that is because of the occasional and fragmentary nature of much of its contents.

HERBERT CROLY.

*Abriss einer Geschichte der Theorie von den Produktionsfaktoren.*

By JOHANNES MÜLLER. (Jena: Gustav Fischer. 1911.

Pp. 53. 1.80 m.)

This rather fragmentary sketch passes in rapid review the theories of Turgot, Smith, Mill, Sismondi, List, Robertus, Marx, and Brentano concerning production and the factors of production; and includes scattered comments on value and distribution. It is of small value to anyone who is familiar with the history of economics, and misleading to one who is not. Though showing



clear evidence of immaturity, it is rather dogmatical in tone. The contributions of the Mercantilists and Kameralists are denied by implication, and no mention is made of Senior or Hermann. The reviewer would ask these questions: Did Smith introduce individualism? Is it true that Turgot did not, on the whole, recognize the productivity of capital? Was Mill the first to recognize and expound the relation of scarcity to value? Did he make the "secondary factors" (climate, security, etc.) in any way co-ordinate with land, labor, and capital? These queries seem to deserve a negation, and each negation is a criticism of the *Abriss*.

One point of importance is suggested by the persual of Dr. Müller's pamphlet: Does the writer not fail to see that Smith's definition of "production" is a question of definition? The problem with the classical economists was to define "wealth" so as to make it a measurable quantum and then to define "production" so as to correlate it with wealth. This is a problem today. To choose a definition of wealth which includes invisible and intangible items, as does the author, merely indicates that he has a different—and perhaps a less precise—notion of the scope of the science.

LEWIS H. HANEY.

*University of Texas.*

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VON WENCKSTERN, A. *Leitfaden zu Vorlesungen über Geschichte und Methode der nationalökonomischen und sozialistischen Theorien*. (Leipzig: Duncker & Humblot. 1911. Pp. iv, 80. 2 m.)

To be reviewed.

WEYERMANN, M. and SCHONITZ, H. *Grundlegung und Systematik einer wissenschaftlichen Privatwirtschaftslehre und ihre Pflege an Universitäten und Fachhochschulen*. (Karlsruhe: Braun. 1912. Pp. xi, 140. 3.40 m.)

————— *A new theory of value.* By a practical business man.  
(London: Chiswick Press. 1912. Pp. 15. 6d.)

*Papers and proceedings of the American sociological society, fifth annual meeting, held at St. Louis, Mo., Dec. 27-30, 1910.*  
(Chicago: University of Chicago. 1911. Pp. 274. \$1.50.)

### Economic History and Geography

*The American People. A Study in National Psychology.* Volume II, *The Harvesting of a Nation.* By A. MAURICE LOW.  
(Boston: Houghton Mifflin Company. 1911. Pp. 608. \$2.25.)

In this volume the author carries to completion his project, begun in an earlier volume, of explaining the psychology of the American people. It is not perhaps entirely obvious what the psychology of a people should include, but what he does is to point out and attempt to explain those peculiarities of manners, morals and customs, which make up that somewhat indefinite but very real thing called national character. It is not history that he proposes to write, but rather a kind of national biography in which history is used only so far as it serves to explain national character. "To understand a people, to have a sympathetic comprehension of the spirit that is in them, to know what has made them what they are and what the future has in store for them, to be able to grasp not alone their material development but the much more illusive working of their minds"—this is the purpose. It is certainly an attractive one and unlike that of any other writer on America.

In this volume the author has considered at some length the more striking features of American society as they exist today, such as the position of women, that decentralization of social organization which is marked by absence of a capital, the existence of a written constitution, the principle of religious toleration and the separation of church and state, the vast area of free-trade presented by our internal commerce, the institution of negro slavery, and the continual inpouring of a vast stream of alien immigration. Besides these, many other less important matters are treated: the contempt of the people for law, their hatred of England, the influence of our various wars, especially the one with Spain and the Civil War, and finally the influence of our protective tariff policy. Everywhere he has striven to show on the one hand the

origin of the institution or social peculiarity which he is studying, and on the other the way it has reacted upon the minds of the people and influenced their psychology.

It is impossible to undertake here a detailed criticism of the opinions advanced upon these subjects. A few observations on the general character of the work with some illustrations is all that can be attempted. The chief value of the book is to be found in the questions which it raises rather than in the answers which it gives to those questions. The author is thoroughly familiar with contemporary social conditions in this country and undoubtedly understands and appreciates the character of the American people. This enables him to pick out with unerring judgment those features of our civilization which are noteworthy. But when he undertakes to trace the influences which have produced these characteristics his grasp is no longer firm and his explanation is rarely convincing. The bad manners of our people are now well recognized by domestic as well as foreign observers, but it hardly carries conviction to attribute them chiefly to the lack of a political capital of the type of London and Paris and to the influence upon us of the alien immigrant. It is equally undeniable that women have never played any considerable part in our political history; but that this fact can be explained on the ground that women in general have received less consideration in America than in other countries and have been in a more dependent condition, may well be doubted. It certainly requires more evidence than the author has adduced. The social backwardness of the South before 1860 was no doubt connected with the presence of slavery there, but the proposition that slavery acted to produce this result chiefly by preventing immigration would never be made by a person thoroughly familiar with economic conditions in the South.

It is not difficult to discover the reason for this defect which runs all through the book. In the introduction to the first volume the author says; "I make no pretensions to original historical research. I have gone to the best and most accepted authorities for my information, carefully balancing conflicting statements and endeavoring to reconcile them by the preponderance of evidence." It is clearly impossible to gain from such sources that intimate knowledge of a people in all periods of their history which is necessary in order to recognize the influences which have

moulded their thoughts and feelings and so determined their character. To do that with any degree of assurance the author would need to have as thorough a knowledge of past conditions as he undoubtedly has of contemporary society. That cannot be gained from secondary books alone; he must be thoroughly familiar with the first-hand historical material as well. It is the lack of any such intimate knowledge of our history which, more than anything else, vitiates this work.

There are two further topics whose treatment deserves a word of comment. One is the influence of the frontier upon American society, and the other is the effect of immigration. I view of the great prominence which the first of these topics has recently been given by American historians, it is surprising to find that it is all but ignored by this author. He is at great pains to account for the existence of democracy and devotes much space to the influence of the Puritans in producing it; but the contact of the people with cheap land and their long continued experience with the leveling process of pioneering make no impression upon him. In our opinion he thus neglects the greatest influence which has worked to produce the democratic spirit in this country. De Tocqueville was impressed by the fact that democracy in America was not an ideal as in Europe but a reality. It was the contact of American society with free land more than anything else that created that reality.

Regarding immigration, the author thinks he has discovered a truth concerning its effect which may be formulated into a law "as exact in its operation as the law of Gresham in finance." He holds that the coming of successive waves of immigrants of lower and lower standards of living has had the effect of forcing up to a higher standard first the native born and then the earlier immigrants. "The immigrant came, he must live, and he took the only work for which he was fitted; and by taking it he fixed a social stigma on that work. The native American could remain in that class or raise himself. The great mass was forced upward." The fundamental fallacy in this so-called law appears in the assumption that the higher race is forced upward without any change in its relations to the community as a whole. The native American raises himself by withdrawing from those employments which the immigrant enters. He can do this continuously only by reducing his numbers and he thus becomes a smaller and smaller proportion

of the whole community. The native born has not deteriorated in quality but the community as a whole has. The composition of its population is changed and the able race constitutes a smaller proportion than before. The immigrant has not forced the native into a higher class but has driven him out of existence, that is, prevented his being born. It is a case of substitution of one race for another. This so-called law of immigration has by no means settled the vexed question of whether American society has been aided or injured by the coming of the immigrants.

GUY S. CALLENDER.

*Yale University.*

*Amerikanische Wirtschaftspolitik. Ihre ökonomischen Grundlagen, ihre sozialen Wirkungen und ihre Lehren für die deutsche Volkswirtschaft.* By FRANZ ERICH JUNGE. (Berlin: Julius Springer. 1910. Pp. iv, 301. 7 m.)

The purpose of this book, as announced by the author in the preface, is to fill a gap in existing literature upon America by describing the basic principles of production, analyzing them in their relation to governmental authority, and comparing them with conditions in Europe. For this task the author, who has been a consulting engineer in New York, shows himself well qualified; he is familiar at first hand with the technical phases of wealth production and has evidently read widely on political and social questions. A Prussian, thoroughly imbued with monarchical ideas of government and of paternalistic regulation of industry, he can find little to praise and much to condemn in the extreme individualism and crass capitalism which in the United States, he says, exploits labor and nature, corrupts government, and prevents the growth of ethical ideals.

The typical characteristics of American economy, according to Dr. Junge, are absence of system, incompetency and lack of prestige on the part of the government, exploitation by the employer, and extravagance on the part of the consumer. Democracy and equality are mere phrases with which capitalism, which really controls government, befools the people. Although the developed technique of industry permits an enormous production of goods, it is largely at the expense of labor, which is driven at white heat and whose wages are fixed according to a materialistic system of compensation absolutely lacking in all ethical con-

siderations. While wages are nominally high, they are kept so only to attract immigrants; really the lot of the American workman is worse than that of the German. America can, however, offer some lessons to Germany—the energy and success of American capitalists have spurred the German state and individual enterprises to renewed exertions and jostled them out of old ruts. But for the most part the author holds us up as *ein abschreckendes Beispiel*.

Dr. Junge is a severe critic though in some respects a just one. In the practice of his profession he has undoubtedly seen the capitalistic methods, of which he complains, unpleasantly exemplified. To deny the existence of national ideals and of high ethical standards is, however, to misunderstand the best part of the American people. The book has a certain value, as the serious criticism of an educated man must always have, but the author's unsympathetic, even hostile attitude, and too exclusive reliance upon the perfervid utterances of radical reformers, detracts decidedly from the value of his conclusions. The author's style, it may be noted in conclusion, is sometimes as repellant as his logic; the reviewer caught on the second page a single sentence of 202 words.

E. L. BOGART.

*University of Illinois.*

*Social Forces in American History.* By A. M. SIMONS. (New York: The Macmillan Company. 1911. Pp. xiii, 325. \$1.50.)

In the words of the author, he has "tried to describe the dynamics of history rather than to record the accomplished facts"; in other words, to give an economic interpretation of American history. Of the twenty-four chapters of the book, twenty-three deal with the period from the discovery of America through the Reconstruction, while the final chapter of only fourteen pages treats of the period subsequent. The phenomena of this latest period are but scantily noted and too little advantage is taken of the opportunity they offer for the application of the author's point of view. The position is simply that of the Marxian socialists. Briefly, it is that there is an economic bug under every historical chip, and if it be not a real bug, it is a humbug. The author's results may be epitomized as follows: The discovery of



America was due to the pressure of the need for new markets of a merchant-ruled society; colonization was a matter of economic necessity, and the religious wars which precipitated emigration to America were a reflex of European capitalism; the American Revolution was due to the need of an independent government by New England smugglers, Middle States manufacturers, and Southern land speculators; and these "dominant interests" won over the laboring and small business classes by raising the slogans of paper money and popular government; the constitution was the result of a "conspiratory trick" of the ruling class, composed of merchants, manufacturers and planters; the Embargo and Non-Intercourse acts were caused by the South's desire of reprisal against England on account of the low price of cotton; the Republican party was born because "the little competitive bourgeoisie" of the North needed control of the national government, and the South precipitated civil war because the success of this party at the polls took away from the slavery interests the control of the government which was essential to the continuance of their industrial system; the Reconstruction was a machination of the great capitalists for keeping alive sectional hatred until they had seized all the strategic points of social control. The idealistic element is conceded some influence in revolutionary movements only, but this recognition is weakened by treating it only in connection with the organization of the Republican party and by associating it chiefly with that which pertained to labor and socialism.

An indispensable feature of the method followed by Marxian socialists is the existence and activity, at every period, of a "dominant" or "ruling class." In his application of this feature the author shows the usual facility: for example, the ruling class in Europe at the time of the discovery of America is said to have been the merchant class (p. 4). That the merchant class was important at this time cannot be denied; but that it, as compared with the landed interest, was the dominant class, may be disputed. The author, furthermore, does not maintain his position consistently on this point (pp. 4, 43, and 70). The varied activities of early American economic life make it an impossible task to refer political action to the interests of one single class, except in the case of the slave-owning class; so the author evades the difficulty by assembling now and then the heterogeneous elements and de-

signating the whole as capitalism. Thus, the elements of the Jacksonian democracy are characterized as "expectant capitalists." Again, Northern capitalism at the time of the outbreak of the Civil War seems to mean an alliance of merchant, manufacturer, small farmer, and free laborer; but in 1868, it means the machine-owning class.

E. T. MILLER.

*University of Texas.*

*The Industrial History of the Negro Race of the United States.*

By GILES B. JACKSON and D. WEBSTER DAVIS. School edition. (Richmond, Va.: Negro Educational Association. 1911. Pp. 369.)

This modest volume lives fairly well up to its title. About one third of its pages are given to an interesting and informing account of the negro exhibit at the Jamestown exposition; there are chapters on the early history of the negro, on slavery, on religion and on education; negro literature, art and inventions are also treated. There are six short chapters on the negro as a soldier, and one on the achievements of the race in accumulating property in Virginia. One chapter is given to the reproduction of negro poems and melodies, and one gives a sketch of the Rev. John Jasper, of "The Sun Do Move" fame. The volume closes with Mr. Carnegie's address on "The Negro in America."

The authors are plainly prompted by a desire to render a service to their people, and there is nothing of the offensive in their recital of racial achievements. The limitations of the book are as patent as its purpose is honest, and he would be a captious and hard-hearted critic, indeed, who would subject it to the analysis which would be proper for a more pretentious undertaking. We may very well make allowance for the exuberance, both of spirit and of language, which declares John Jasper to have promulgated a doctrine "which baffled the wisdom of learned astronomers," (p. 293) and ranks Andrew Carnegie as "one of the greatest leaders of thought" (p. 318).

Books by negro authors long ago ceased to attract attention because of the single merit of novelty. They now constitute a fairly important branch of American literature. Far too many of them, however, have for their single purpose the airing of grievances and complaints. Like the white man's contribution to the

subject, they are too much given to the discussion of racial "problems." The volume before us has nothing of this, either in purpose or tone. It should prove healthfully stimulating to the youth for whom it is written.

ALFRED H. STONE.

*Influences of Geographic Environment; on the Basis of Ratzel's System of Anthro-Geo-graphy.* By ELLEN CHURCH-HILL SEMPLE. (New York: Henry Holt and Company. 1911. Pp. xvi, 683. \$4.00.)

Miss Semple began her work with the idea of making a paraphrase of Ratzel, but this proved impracticable owing to the many gaps in his system, the inclusion of certain unverified hypotheses, and his constant use of the now discarded "organic" theory of society. As a result, she was compelled to go back to the sources, and has produced a substantially new and independent work, despite its subtitle. In fact, it is the first and the only adequate treatment in English of human responses to environment, and on a par with the best in either German or French. The material is drawn from many sources—geography, anthropology, history and economics—and the result is a truly monumental work which no serious student of any of the social sciences can afford to ignore.

In point of arrangement it is topical or systematic rather than regional. The plan is:

To compare typical peoples of all races and all stages of cultural development, living under similar geographic conditions. If these peoples manifested similar or related social, economic, or historical development, it is reasonable to infer that such similarities are due to environment and not to race \* \* \* \*. The writer, moreover, has purposely avoided definitions, formulas, and the enunciation of hard and fast rules. \* \* \* \* For this reason the writer speaks of geographic factors and influences, shuns the word geographic determinant, and speaks with extreme caution of geographic control.

The work comprises seventeen chapters, of which the first seven are general in character. These chapters treat (1) the operation of geographical factors in history, (2) classes of geographical influences, (3) society and state in relation to the land, (4) movements of peoples in their geographic significance, (5) geographical location, (6) geographical area, (7) geographical boundaries. The next six chapters are devoted to the effects of certain types

of environment on man, the special topics being (1) coast peoples, (2) oceans and enclosed seas, (3) man's relation to the water, (4) the anthropo-geography of rivers, (5) continents and their peninsulas, (6) island peoples, (7) plains, steppes, and deserts, (8) mountain barriers and their passes, (9) influence of a mountain environment. Only the last chapter is devoted to the influence of climate upon man. This fact alone suggests how far we have traveled since the days of Buckle and Draper, when climate was the beginning and the end of the story. In this book, indeed, climate will be thought by many to come far short of its due share of attention; but this defect is the less serious because there is more usable material in English on climate than on any other phase of anthropo-geography.

The method is thoroughly scientific. Many examples are assembled and carefully examined to establish a single principle: and there is no sign of forcing the facts to fit any prearranged scheme. What is known is always sharply distinguished from what is surmised. The stage of economic and social development is always taken into consideration, and attention is pointed to the different responses called forth at different stages by the same environment. The work is also permeated by a constructive imagination which gives life even to abstract principles, while the style is always clear, lively and sometimes poetic. As a result, there is hardly a dull page in the book.

In view of the immense literature which has been mastered and to which copious references are given, it may seem ungracious to ask for more. It is, however, a fact that disproportionate use has been made of geography and anthropology, compared to history and economics: and that the works which are cited in the latter fields are far from representing the present condition of these sciences. In economics, for example, Malthus and Roscher are almost the only works cited: while in Greek history, reliance is placed on Grote and Curtius—both long since out of date. No reference is made to Busolt, Beloch, Holm, Keller, Ridgway, or even to the classic work on the physical geography of Greece by Neumann and Partsch. At later periods, Ferrero, Seeck, Cunningham, Meitzen, Brunhes, and Lamprecht are equally neglected. Even Seligman's *Economic Interpretation of History*, which traverses some of the same ground, appears not to have been consulted. It may be that the use of modern works would

not have materially changed the conclusions, but it would have immensely strengthened the authority of the work. It is therefore to be hoped that this defect will be remedied in a second edition.

EDWARD VAN DYKE ROBINSON.

*University of Minnesota.*

*Histoire du Commerce de la France. Première Partie: avant 1789.* By EMILE LEVASSEUR. (Paris: A. Rousseau. 1911. Pp. xxxiii, 611. 12.50 fr.)

On the reverse of Professor Levasseur's title page is printed a list of his chief works now on sale, which omits many substantial books from his pen, but comprises, nevertheless, sixteen volumes in the fields of economic history, geography, political economy and education. More than fifty years have passed since the publication, in 1854, of his *Recherches Historiques sur le Système de Law*, and the present volume is but the beginning of a new work, as it is to be followed by a companion volume which is already partly prepared. Such activity we may well admire, and for its products we must be grateful; yet we must feel regret that the author has been too busy with his writing to consider what other people were thinking, and that in method and in the quality of its contributions this last book differs scarcely, if at all, from his first. It contains much information about the history of the commerce of France, but it offers little that is new; it does not answer the questions on which scholars of the subject are now pondering, and, indeed, scarcely recognizes their existence.

The narrative begins in the neolithic period, but moves swiftly until the author reaches the Renaissance; and a full half of the book is devoted to the period of Louis XIV and to the eighteenth century. The author describes chiefly incidents in the history of commerce, but allows himself frequent digressions into the fields of industrial, social and political history. He covers many topics in commercial history more extensively than he had done in his *Histoire des Classes Ouvrières*, yet he makes no clear distinction between the content of the two books, and, in fact, refers the reader sometimes to his earlier book on the working classes for details of the history of commerce.

He contributes very little from manuscript sources, and does not even give references to the secondary authorities on which he bases his narrative. The bibliography, covering seven pages

at the end of the book, betrays Professor Levasseur's weakness. He calls it, in his preface, "une liste sommaire, non de tous les textes que j'ai dépouillés, mais de livres publiés sur la matière qui peuvent le plus utilement être consultés par les écrivains qui se proposeraient de l'étudier après moi"; and it is, distinctly, not even that. It appears to be merely a list of the books which the author has found it convenient to use, in cheerful disregard of others which would have modified their statement of fact or conclusion. It includes such present-day curiosities as Cibrario and Scherer, while it omits such studies as those by Guilmoto, Huvelin, Pauliat and Dahlgren, to cite merely names of authors who have written in French on French commerce; it omits practically all the writings by foreigners on French commerce; and, finally, it gives no hint of the existence of those studies in economic history which have been inspired by German scholarship, and which in form are often confined to German topics, but which have in fact transformed the study of the subject in all its fields, and which make the present book seem antiquated when it leaves the press.

CLIVE DAY.

*Yale University.*

*Die Bergarbeiter. Historische Darstellung der Bergarbeiter Verhältnisse von der ältesten bis in die neueste Zeit.* By OTTO HUE. Volume I. (Stuttgart: J. H. W. Dietz Nachfolger. 1910. Pp. viii, 455.)

The publication of this book is a testimonial to the great educational work done by organized labor in Germany. The author, member of the German Parliament, was engaged by the National Committee of the Union of Mine Workers to write a history of labor in the mining industry. The outcome has been a thorough-going study, in a very readable form, of the evolution of the mining industry and of the mine workers, of their economic condition and legal status, from the earliest days of history to the dawn of the capitalistic period. This is to be followed by a second volume which will deal with the condition of the miners under capitalism.

The mining industry up to the nineteenth century was confined to the extraction of the precious and base metals. In Egypt,

in Greece, in Rome, mining was the work of slaves, prisoners of war and convicts. The cruelty with which the miners were treated shocked even the sensibilities of Diodorus who lived in an age which did not breed "mollycoddles." An improvement in the condition of the miners came with the development of deep mining. So long as mining operations were pursued above ground, or in shallow drifts, it was feasible to concentrate hundreds of slaves under the supervision of armed guards. But the exhaustion of the easily accessible ore deposits necessitated deep mining. The miners were now scattered underground in small teams, and it became impossible to station a slave driver with each team. Moreover deep mining requires skill. The skilled mine slave became a valuable chattel. After all the accessible parts of the known world of that day had been brought under the domination of Rome, the supply of prisoners of war and slaves grew scarce in comparison with the increased demand for slave labor. The purchase price of slaves went up in consequence. A class of labor contractors came into being, from whom slaves could be hired. From this system there was but one step to serfdom.

After the fall of the Roman Empire, mining in mediaeval Germany was for a long time pursued as a subsidiary occupation connected with farming. The miner was obliged to deliver to the lord of the manor a share of the mining products. The growth of imports of articles of luxury stimulated the demand for precious metals. The feudal lords encouraged prospecting for gold and silver ore within their domains. A prerequisite for prospecting was freedom to go from place to place. Thus all miners were eventually given the rights of freemen.

The decline of precious metal mining in Germany after the discovery of the richer mines of America resulted in a deterioration of the condition of the German miners. The crude technical methods of the day brought out a scant return from the mines. In order to raise their royalties, the feudal proprietors increased the hours of labor from six hours per shift first to seven, then to eight, ten and up to twelve. Prior to the sixteenth century the miners celebrated on an average one church holiday in every fortnight, besides Sunday. The reformation reduced the number of church holidays, and the bishops of the Roman Catholic church likewise granted dispensation to the mine owners to operate

their mines on all but the most important church holidays. As the conditions of labor in the mines grew worse, labor troubles would occasionally break out and the miners would quit the mines and go elsewhere. In order to protect their royalties, the feudal states one after another curtailed the liberty of the miners to move from place to place. In this manner serfdom was virtually reintroduced for the miners and continued throughout the eighteenth century. The worst evils of child labor were common in the state mines.

Whatever may be said of the evil effects of the introduction of machinery under capitalism, Mr. Hue's book forcibly suggests the conclusion that the technical progress brought about by capitalism has greatly added to the sum of comfort enjoyed by the wage-workers.

ISAAC A. HOURWICH.

*Washington.*

#### NEW BOOKS

ANDREE, K. *Geographie des Welthandels. Eine wirtschaftsgeographische Schilderung der Erde.* (Frankfurt: H. Keller. 1912. Pp. viii, 920, maps. 14.50 m.)

BACHI, R. *L'Italia economica nel 1910.* (Turin: Societa tip. e nazionale. 1911.)

BOURGIN, H. *L'industrie de la boucherie à Paris pendant la Révolution.* Bibliographie d'histoire de Paris, Vol. II. (Paris: Leroux. 4 fr.)

BRAUNGART, R. *Die Urheimat der Landwirtschaft aller indogermanischen Völker, an der Geschichte der Kulturpflanzen und Ackerbaugeräte in Mittel- und Nordeuropa nachgewiesen.* (Heidelberg: Carl Winter. 1912. Pp. viii, 470, illus. 30 m.)

BRINKMANN, C. *Wustrau, Wirtschafts- und Verfassungsgeschichte eines brandenburgischen Ritterguts.* Staats- und sozialwissenschaftliche Forschungen, No. 155. (Leipzig: Duncker & Humblot. 1911. Pp. vi, 163. 4 m.)

BROOKS, E. C. *The story of cotton and the development of the cotton states.* (Chicago: Rand, McNally & Co. 1911. Pp. x, 370. 75c.)

A supplementary reader designed for use in the seventh grade of our public schools, but deserving a wider circulation. The author, professor of education in Trinity College, North Carolina, presents in simple but interesting style the story of cotton culture and manufacturing, especially in the United States, also describes the economic development of the South and the relation of cotton



growing to slavery and to the Civil War; here, however, the treatment is less objective and hence less successful. The book is well illustrated but lacks an index.  
E. L. B.

CANTO, P. *Chile: an account of its wealth and progress*. Introduction by R. P. PORTER. *Porter's Progress of Nations*. (London: Routledge & Son. 1912. Pp. 251. ls.)

Author is editor of "El Mercurio Santiago."

CAZAMAIN, L. *Modern England. An historical and sociological study*. (London: Dent. 4s. 6d.)

DE FELCOURT, E. *L'Abyssinie. Agriculture—Chemin de fer*. (Paris: Larose. 1911. Pp. 195. 3.50 fr.)

DE FELICE, D. *L'evoluzione economica-sociale della Germania dal 1870*. (Rome: tip. Unione ed. 1911. Pp. 43.)

FISCHER, v. S. *Lehrbuch der Handels- und Verkehrsgeographie für zweiklassige Handelsschulen*. (Vienna: Müller-Fröbelhaus. 1911. Pp. iv, 276. 3.20 m.)

GONNER, E. C. K. *Common land and inclosure*. (New York: Macmillan. 1912. Pp. 492.)

GRUBE, C. *Wirtschaftliche Erdkunde*. Second edition revised by Dr. K. DOVE. (Leipzig: B. G. Teubner. 1911. 1.25 m.)

GUARNIERI, G. G. *Il movimento delle navi da guerra e mercantili nel porto di Livorno al tempo del terzo Granduca di Toscana, 1587-1609*. (Livorno: tip. A. e. G. Formichini. 1911. Pp. 45. 2 l.)

HARDY, D. H. and ROBERTS, I. S. *Historical review of south-east Texas and the founders, leaders and representative men of its commerce, industry and civic affairs*. Two volumes. (Chicago: Lewis. 1911. \$25.)

HICKMAN, A. L. *Atlas universel; politique, statistique, commerce*. Eighth edition. (Paris: Haar & Steinhert. 1911. Pp. 70, maps, illus.)

HOFFDING, W. *The economic position of Russia*. (London: T. Nelson & Sons. 1911. Pp. 24.)

JOSE, A. W. *History of Australasia*. Fourth edition. (Sydney: Angus & Robertson. 1912.)

Two new chapters have been added, "History of Land Settlement in Australia" and "Growth of Australian Industries."

KAPPAHN, F. *Die wirtschaftlichen Folgen des 30jährigen Krieges für die Altmark*. *Geschichtliche Studien*, No. 1. (Gotha: F. A. Perthes. 1911. 2.40 m.)

LABANDE, L. H. *Histoire politique et économique des seigneuries de Menton, Roquebrune et le Turbie antérieurement au XV<sup>e</sup> siècle*. (Paris: A. Picard et Cie. 3.50 fr.)

LACCETTI, B. *L'Italia economica nei principali quesiti*. (Napoli: E. Pietrocola. 1911. Pp. 34.)

LINCOLN, J. T. *The factory*. (Boston: Houghton Mifflin Co. 1912. Pp. x, 109. \$1.)

The seven chapters were originally delivered as lectures before the Tuck School at Dartmouth; while they contain nothing new, they present the industrial development of England during the nineteenth century in a sympathetic spirit. Beginning with the industrial revolution, the book traces the growth of the factory and of the factory town, with their attendant problems, and concludes with an optimistic expression of hope for the future.

LUDWIG, K. *Grundriss der Verkehrsgeographie, deren Geschichte und Statistik mit besonderer Berücksichtigung des Eisenbahnwesens*. (Vienna: A. Hölder. 1911. Pp. viii, 195. 2.40 m.)

MARTIN, P. F. *Peru to the twentieth century*. (London: Arnold. 1911. Pp. 368. 15s.)

MARVAUD, A. *Le Portugal et ses colonies. Etude politique et économique*. (Paris: Alcan. 1912. Pp. 335. 5 fr.)

Discusses the fall of the monarchy, events since the establishment of the republic, and the future of the country.

MASSON, P. *Histoire du commerce français dans le Levant au XVIII<sup>e</sup> siècle*. (Paris: Hachette. 12 fr.)

MERIGNHAC, A. *Précis de législation et d'économie coloniales*. (Paris: Larose et Tenin. 12.50 fr.)

MOSZKOWSKI, M. *Vom Wirtschaftsleben der primitiven Völker. Probleme der Weltwirtschaften* Schriften des Instituts für Seeverkehr und Weltwirtschaft an der Universität Kiel, No. 5. (Jena: Fischer. 1911. Pp. iii, 50. 1.60 m.)

PORTER, R. P. *The full recognition of China*. (London: Oxford University Press. 1911. 10s. 6d.)

An account of economic progress.

PATERSON, A. *Across the bridges*. Introduction by E. S. TALBOT. (London: Arnold. 1911. Pp. xiv, 273. 6s.)

Method is descriptive. Favorably reviewed in the "Economic Journal," December, 1911.

PATTERSON, I. F. *The constitutions of Ohio*. (Cleveland, O.: Arthur H. Clark Co. 1912. Pp. 358.)

Of aid to the student of economic history as there is an analytical index to all the constitutions of the state.

PORTER, R. P. *The full recognition of Japan*. (New York: Oxford University Press American Branch. 1912. \$4.)

PRUTZ, H. *Jaques Coeur von Bourges. Geschichte eines patriotischen Kaufmannes aus dem 15. Jahrhundert*. Historische Studien, No. 98. (Berlin: E. Ebering. 1911.)

RAPPARD, W. E. *Le facteur économique dans l'avènement de la démocratie moderne en Suisse. I. L'agriculture à la fin de l'ancien régime.* (Genève: George & Co. 1912. Pp. 235.)

To be reviewed.

ROBINSON, F. P. *The trade of the East India company from 1709 to 1813.* (New York: Putnam. 1912.)

ROSS, E. A. *The changing Chinese. The conflict of oriental and western cultures in China.* (New York: Century Co. 1912. Pp. 350, illus. \$2.40.)

SCHAFER, K. H. *Die Ausgaben der apostolischen Kammer unter Johann XXII. Nebst den Jahresbilanzen von 1316-1375.* Vatikanische Quellen zur Geschichte der päpstlichen Hof- und Finanzverwaltung 1316-1378, Vol. II. (Paderborn: Ferdinand Schöningh. 1911. Pp. xi, 151-911. 42 m.)

SCHANZ, M. *Der Neger in den Vereinigten Staaten von Nordamerika.* (Essen: G. D. Baedeker. 1911. Pp. iii, 133. 1.20 m.)

SCHULZ, F. *Die Hanse und England von Eduard III. bis auf Heinrichs VIII. Zeit.* Abhandlungen zur Verkehrs- und Seegeschichte, No. 5. (Berlin: Karl Curtius. 1911. Pp. xv, 195. 5 m.)

STEINER, B. C. *Maryland under the commonwealth; a chronicle of the years 1649-1658.* Johns Hopkins university studies in historical and political science, Series XXIX, No. 1. (Baltimore: Johns Hopkins Press. 1911. Pp. 178.)

The discussion of economic matters, such as land grants and taxation, is only incidental.

THWAITE, L. *Alberta: an account of its wealth and progress.* Introduction by R. P. PORTER. Porter's Progress of Nations. (London: Routledge & Son. 1912. Pp. 250. 1s.)

TOUTAIN, L. *Le mouvement commercial et l'avenir économique du Havre.* (Le Havre: impr. du Journal du Havre. 1911. Pp. 34.)

UNSTEAD, J. F. and TAYLOR, E. G. R. *Commercial geography, general and regional.* (London: George Philip & Son. 1912.)

VERHOEFF, M. *The Kentucky mountains: transportation and commerce, 1750 to 1911.* Filson club publications, No. 26. (Louisville, Ky.: J. P. Morton & Co. 1911.)

VITRAC, M. *Historie et géographie économiques.* (Paris: Maurice Vitrac. 1912. Pp. 590.)

For each region a study is first made of the geologic formation and physical geography and then of its influence upon the ethnology, archaeology and history.

WICKWARE, F. G., editor. *The American year book for 1911.* (New York: Appleton. 1912. Pp. 863. \$3.50.)

————— *Proceedings of the State Historical Society of Wisconsin.*

(Madison: State Historical Society of Wisconsin. 1911. Pp. 210.)

Contains a number of papers dealing with pioneer conditions in Wisconsin, of which three are of distinct economic interest: "A Preliminary Railroad Survey, 1857," by A. McF. Davis; "Lumber Rafting on Wisconsin River," by S. A. Sherman; and "Personal Experiences of a Wisconsin River Raftsman," by C. C. Lincoln.

*The Mexican year book, 1911.* (London: McCorquodale & Co. Pp. 1000, maps, plates. 21s. 6d.)

Issued under the auspices of the department of finance.

*Year Book of British Columbia.* Coronation edition. (Victoria, B. C.: King's Printer. Pp. 358, illus.)

Deals with the history and exploration of the province, systems of government and administration of justice, education, native Indian races, agricultural products, shipping and labor.

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*Philip's chamber of commerce atlas.* (London: George Philip & Son. 6s.)

*Collection de documents inédits sur l'histoire économique de la Révolution française.* Département des Bouches-du-Rhône. Documents relatifs à la vente des biens nationaux. (Paris: E. Leroux. 7.50 fr.)

*L'oeuvre sociale de la troisième république.* (Paris: Giard & Brière. 1912. 5.50 fr.)

*Beiträge zur Geschichte der Technik und Industrie.* (Berlin: Springer. 1911. Pp. 347.)

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*Die deutschen Interessen in Argentinien, Chile, Bolivien und Peru.* Von einem alten Praktiker. (Berlin: Süd. & Mittel-Amerika-Verlag. 1911. Pp. 99. 1.80 m.)

## Agriculture, Mining, Forestry, and Fisheries

### NEW BOOKS

ARDOUIN-DUMAZET, M. *Le petites industries rurales.* (Paris: Lecoffre. 1912. 2 fr.)

BALBIANO, V. *Studio sulle condizioni agrarie del circondario di Torino.* (Torino: Derossi. 1911. Pp. xv, 250.)

BAVERSTOCK, A. H. *The English agricultural labourer.* Introduction by G. K. CHESTERTON. (London: Fifeild. 1912. Pp. vii, 56. 6d.)

COLLIER, J. *The pastoral age in Australasia.* (London: Whitcombe & Riley. Pp. 358. 6s.)

COULTER, J. L. *Coöperation among farmers, the keystone of rural prosperity.* (New York: Sturgis & Walton. 1911. Pp. vii, 281. 75c.)

DUDGEON, G. C. *The agricultural and forest products of British West*

*Africa*. Imperial Institute Handbooks. (London: John Murray. 1911. Pp. 180. 5s.)

FERNOW, B. E. *A brief history of forestry; in Europe, the United States and other countries*. Revised and enlarged edition. (Cambridge, Mass.: Forestry Quarterly. Pp. 11, 560. \$2.50.)

KING, F. H. *Farmers of forty centuries or permanent agriculture in China, Korea and Japan*. (Madison, Wis.: Mrs. F. H. King. 1911. Pp. 441, illus. \$2.50.)

A study of intensive agriculture.

LECOLLE, G. *Les associations agricoles, syndicats, coöperatives, mutualités et les nouvelles lois sociales agricoles*. Preface by M. ROCQUIGNY. (Paris: J. B. Baillière et fils. Pp. 348.)

LUMSDEN, J. *Our national food supply*. (London: Unwin. Pp. 96. 1s.)

MADONA, L. N. *Il bene di famiglia insequestrabile e la protezione della piccola proprietà rustica nella legislazione straniera ed italiana*. (Firenze: Seeber. 1911. Pp. 322. 6 l.)

A study of the general movement to encourage the ownership of small holdings.

MULLER, M. *Die Grundlagen der pfälzischen Landwirtschaft und die Entwicklung ihrer Produktion im 19. Jahrhundert bis zur Gegenwart*. Wirtschafts- und Verwaltungsstudien, mit besonderer Berücksichtigung Bayerns, No. 41. (Leipzig: A. Deichert. 4 m.)

MULLER, P. *Die Rindviehzucht und Rindviehhaltung in Württemberg*. Tübinger staatswissenschaftliche Abhandlungen, No. 20. (Stuttgart: Ferdinand Enke. 1911. Pp. x, 335. 12 m.)

PETIT, A. *Précis d'agriculture. Agriculture théorique et pratique. Chimie et comptabilité agricoles*. (Paris: Alcan. Pp. 296. 3 fr.)  
Has chapters on credit societies and agricultural accounting.

POHER, E. *Le commerce des produits agricoles*. Encyclopédie agricole. (Paris: J. B. Baillière et fils. Pp. 600. 6 fr.)

POWER, F. D. *Coalfields and collieries of Australia*. (London: Pitman. 25s.)

REHBEIN, F. *Das Leben eines Landarbeiters*. Edited by PAUL GOHRE. (Jena: E. Diederichs. 1911. Pp. 262. 3.50 m.)  
To be reviewed.

RUHNAU, E. *Die landwirtschaftlichen Verhältnisse Westpreussens in der Gegenwart*. (Berlin: Puttkammer & Mühlbrecht. 1911. Pp. 305, tables. 8 m.)

THISSE, E. *Die Entwicklung der elsässischen Landwirtschaft in der zweiten Hälfte des 19. Jahrhunderts*. (Berlin: E. Ebering. 1911. Pp. 166. 4 m.)

DE VUYST, P. *Le rôle social de la fermière. Son éducation profes-*

sionnelle. *Les réunions de fermières. Leur organisation à l'étranger. Renseignements pratiques.* (Brussels: Albert Dewit. 1911. Pp. 194. 3 fr.)

Awarded a prize by l'Académie royale de Belgique.

WOLF-HUNSPACH, A. *Die Stellung des Bauern in der deutschen Wirtschaftsentwicklung.* Politische Handbücherei, No. 7. (Munich: Buchh. Nationalverein. 1912. Pp. 61. 1 m.)

———. *Agriculture and food production in and around Norfolk, Virginia, and its tributary territory, tidewater Virginia and eastern North Carolina.* (Norfolk, Va.: Industrial Commission. 1912. Pp. 71.)

———. *Irrigated lands in the United States.* (St. Paul, Minn.: Webb Pub. Co. 1912. Pp. 66. 25c.)

Description of reclamation service projects, classified by states.

*Rural development and small holdings.* (London: King. 1912. Pp. xii, 247. 2s.)

Report of the proceedings of the National Congress held at the Crystal Palace in October, 1911, in connection with the small holdings and country life section of the Festival of Empire.

*Der Viehstand nach der Stückzahl der Tiere auf Grund der ausserordentlichen Zählung vom 1. 12. 1910.* Supplement of "Zeitschrift des königlichen preussischen statistischen Landesamtes." (Berlin: Verlag des konigl. statist. Landesamts. 1911. Pp. 67. 2 m.)

## Manufacturing Industries

### NEW BOOKS

ARNOLD, J. P. *Origin and history of beer and brewing from prehistoric times to the beginning of brewing science and technology.* (Chicago: Alumni Association of the Wahl-Henius Institute of Fermentology. 1911. Pp. xvi, 411, illus. \$5.)

COSSMANN, W. *Ueber die wirtschaftliche Entwicklung der Aluminiumindustrie.* (Frankfurt: J. Baer & Co. 1911. 2 m.)

GANNON, F. A. *Shoe making, old and new.* (Salem, Mass.: Newcomb & Gauss. 1911. Pp. 76. \$1.)

GERARD, A. *Notes sur l'industrie américaine.* (Paris: Ch. Beranger. 2 fr.)

GROLICH, E. *Die Baumwollweberei der sächsischen Oberlaustiz und ihre Entwicklung zum Grossbetrieb.* Staats- und sozialwissenschaftliche Forschungen, No. 159. (Leipzig: Duncker & Humblot. 1911. Pp. x, 144. 3.80 m.)

HAMMANN, H. *Die wirtschaftliche Lage von Kanada mit besonderer Berücksichtigung der Eisen- und Stahl-Industrie.* (Berlin: Springer. 1912. Pp. 95. 2.40 m.)

- HOOD, C. *Iron and steel, their production and manufacture.* (New York: Pitman. 1911. Pp. x, 150. 75c.)
- HOOPER, L. *Silk; its production and manufacture.* (New York: Pitman. 1911. Pp. viii, 52. 75c.)
- KRUEGER, H. E. editor. *Volkswirtschaftliches Jahrbuch der Stahl- und Eisen-Industrie, einschliesslich der verwandten Industriezweige 1912.* (Berlin: Verlags-Industrie-Gesellschaft. 1912. Pp. 279. 3 m.)
- MORSELLI, G. *Le industrie chimiche italiane.* (Milano: Unione italiana concimi. 1911. Pp. 130.)
- OPPEL, A. *Die deutsche Textilindustrie; Entwicklung; gegenwärtiger Zustand. Beziehungen zum Ausland und zur deutschen Kolonialwirtschaft.* (Leipzig: Duncker & Humblot. 1912. Pp. iv, 167. 4.50 m.)
- PHWINAGE, C. *L'industrie et le commerce des engrais.* Encyclopédie agricole. (Paris: J. B. Baillière et fils. 1912. Pp. 600. 6 fr.)
- RANSOM, L. A. *The great cottonseed industry of the South.* (New York: Oil Paint and Drug Reporter. 1911. Pp. 125. \$1.25.)
- SANDS, R. W. P. and BURT, R., compilers. *Nitrate prospects. A financial handbook of the nitrate industry.* (London: Curtis, Cranston & Co. 2s. 6d.)
- SEHMER, T. *Die Eiserversorgung Europas.* (Jena: Fischer. 1911. Pp. xviii, 358. 12 m.)
- TORREY, J. and MANDERS, A. S., editors. *The rubber industry. Official report of the proceedings of the international rubber congress, 1911.* (London: Office of the International Rubber Congress. 1911. Pp. 470. 15s. 6d.)
- WEIGAND, K. L. *Der Tabakbau in Niederländisch-Indien, seine ökonomische und kommerzielle Bedeutung mit besonderer Berücksichtigung von Deli-Sumatra.* (Jena: Fischer. 1911. Pp. vii, 155, maps. 7.50 m.)
- . *Cotton. Proceedings of the eighth international congress of delegated representatives of master cotton spinners, and manufacturers' associations, held at Barcelona, May, 1911.* (London: King. 1911. 7s. 6d.)
- . *New England industries; brief historical sketches concerning twenty-five leading industries in New England.* (Boston: Oxford-print. 1911. Pp. 102.)

### Transportation and Communication

- An American Railroad Builder: John Murray Forbes.* By HENRY GREENLEAF PEARSON. (Boston: Houghton Mifflin Company. 1911. Pp. vii, 196. \$1.25.)

In this interesting volume we have portrayed the life and activities of a forceful and attractive personality. John Murray Forbes was born in 1813, as the sixth child of a well-known Boston family. Forced by the straitened circumstances and death of his father to go to work at the age of fifteen, he entered his uncle's counting house, from which he was soon sent to China in a position of trust and responsibility. At the age of twenty-four he was back in Boston as a merchant with a comfortable fortune. In 1846 he was drawn into the railroad world by John W. Brooks, an able young engineer who had grasped the possibilities of western expansion. By him Forbes was persuaded to assume the presidency and secure the necessary capital to purchase the Michigan Central railroad from the state of Michigan. Once launched upon this enterprise there was no turning back; additional capital was soon needed to reconstruct, extend, and equip the decrepit road. Soon the competition of the reckless builders of the Michigan Southern compelled an extension of the line to Chicago, and then the establishment of eastern connections. It was a period of feverish expansion and fierce competition, and into this turmoil of work Forbes threw himself with enthusiasm. During the panic of 1857 his aid was invaluable, and by his energy and simple honesty he brought his road safely through the crisis.

With the westward extension of railroad building, it became necessary for the Michigan Central to secure western connections, and the stockholders of the older road accordingly bought control in one after another of the various links which later made up the Chicago, Burlington, and Quincy railroad. Of this, Forbes was director from 1857 to 1898 and president from 1878 to 1881. Here, as before, his work was chiefly that of securing the necessary capital, and of maintaining a sound financial policy.

This activity was interrupted by the Civil War, during which Forbes plunged with characteristic vigor into various lines of public service. Recruiting men, insisting upon business efficiency in the departments at Washington, going on a secret mission to England, working for the development of an aggressive war sentiment in the North through the use of the press—in unofficial ways he worked unceasingly for what he conceived to be right. After the war he again led the fight for honest methods of construction and finance in the Chicago, Burlington, and Quincy road, but after securing a victory on this point he transferred his heavy labors



to others, and from 1881 to the end of his life, in 1898, lived quietly in his home near Boston.

Mr. Pearson has written sympathetically and vividly, and has given an adequate biography of an important character. The book is one of the valuable and interesting sort that tells not merely what has been done in the world of industry, but how it has been done, and makes clear the importance of the human factor in our economic development.

ERNEST L. BOGART.

*University of Illinois.*

*Cours d'Economie Politique, Volume VI. Les Travaux Publics et les Transports.* By C. COLSON. Second edition, revised. (Paris: Félix Alcan. 1910. Pp. 528. 6 fr.)

A volume from Colson, the inspector general of bridges and ways and a *directeur* of the French railways, is worthy of most careful consideration. He has been a most diligent and able student of transportation, especially that of the railways. His large volume, entitled *Transports et Tarifs* (3d ed., 1908) has no superior, if indeed an equal. The sixth volume of his great work *Cours d'Economie*, that on public works and transportation, covers largely the same field, not so exhaustively at some points, but more completely in its consideration of competition and combination, the roles of the state and private enterprise, and the association of the state and the companies in transportation tasks. Colson gives the comparative situations and facts, reviewed historically, of the various phases of transportation and communication; and suggests, by means of statistics, graphics, or mathematics, the present and probable results of the application of certain policies and principles.

The value of service is comprehensively analyzed and its ability to serve as a basis of rate making considered; and so is the cost of service. The distance rate or that according to *borèmes* or zones receives a practical and sufficiently comprehensive treatment. The vital aspects and problems of transportation by means of the roads and streets, the interior waterways, the ports and maritime canals, and the railways, and of communication by post, telegraph or telephone, all receive sympathetic yet accurate and practical treatment. The relative position of competition in transportation—between the railways, and between the railways and other carriers, interior or coastwise—is comprehensively shown. His treatment

of the roles which the state and private enterprise play and should play is admirably done. His analysis of the advantages and disadvantages of the different régimes of operation, at work in a number of countries, brings to one information and suggestion. In the United States, as well as in Great Britain, the supervision or control has been through a governmental process which is more distinctly judicial than administrative. The supervision in Great Britain was, according to the act of 1854, left in the hands of the Court of Common Pleas. The change, by the act of 1873, to a commission did not in reality make the commission an administrative body; and the Railway and Canal Commission as created by the act of 1888 was more specifically given the powers and dignity of a judicial body. The Interstate Commerce Commission has from its beginning been in large part a court, not an administrative body in its truest sense. It has been after the general idea of the British commission. The supervision of private operation in France has, on the other hand, been distinctly that of the administrative type. Through the ministry of public works the administrative law and machinery have in France, as in Germany and other continental countries, been fully formulated. A point worthy of most consideration is that the judicial supervision allows great elasticity—a thing which transportation fundamentally needs; administrative supervision has been much more inelastic and nonadjustable to traffic and industrial conditions.

In a chapter which is essentially from the point of view of France, Colson considers the state's financial association with the companies. The reasons which made this association in France most vitally close and the results which have come from it are given with clearness.

CHARLES LEE RAPER.

*University of North Carolina.*

*Geschichte der deutschen Eisenbahnpolitik.* By EDWIN KECH.  
(Leipzig: G. J. Göschen'sche Verlagshandlung. 1911. Pp.  
143. 0.80 m.)

The object in publishing the group of little books embraced in the *Sammlung Göschen* is stated to be a clear, intelligible, and comprehensive discussion of scientific and technical questions. Certainly the tiny *Geschichte* is an achievement in this direction. It concisely sets forth an excellent account of the development of rail-

way policy in the several German states, together with an admirable statement of the general bases for different railway policies. The main sections are: theory of railway policy, the beginning of railways in Germany, the Prussian railway policy to the beginning of government ownership of private lines, the railway policy of the central states, the imperial railway problem, the accomplishment of a government railway system in Prussia.

Dr. Keck tells us that in some ways railway development in Germany has reached its end: the main routes are occupied; the principle of public administrative control is established. But one great question remains, viz., to what extent will imperial centralization be carried? To what extent will the several states retain control? Taking a bird's-eye view, the volume is a sketch of what is made to appear as a struggle for imperial unification. With some local variations in the various states, the general course of development has been: first, private initiative and ownership, sometimes aided by government, and a mixed system of government and private lines; finally, with some reverses, the all but complete establishment of government control. The author is strongly convinced that a centralized imperial administration of railways is best. He sketches the attempts made to attain this goal: in 1846 the "union of German railway officers" was formed, and effected some little unity of policy in technical and traffic matters; then came the failure of Prince Chlodwig Hohenlohe's scheme for a railway union; the Imperial Constitution formed a sort of economic program which exerted some indirect influence, and in 1875 an imperial railway bureau was established; but all attempts to effectuate central control of rates, etc. failed because of the jealousy of the states and private lines; and Bismarck's imperial railway project finally came to naught in 1876. The volume closes with an account of Prussia's later policy.

Dr. Keck lays emphasis on List's activities; and also points out the influence of the Free Trade party about 1859.

Though, obviously, the author is strongly prepossessed in favor of centralization, he has succeeded in giving us an admirably clear and accurate sketch of developments in his field.

LEWIS H. HANEY.

*University of Texas.*

*The Navigable Rhine.* By EDWIN J. CLAPP. Hart Schaffner and Marx Prize Essays in Economics, IX. (Boston: Houghton Mifflin Company. 1911. Pp. xvii, 134. \$1.00.)

*The Port of Hamburg.* By EDWIN J. CLAPP. (New Haven: Yale University Press. 1911. Pp. xiii, 214. \$1.50.)

These two studies of German waterway and harbor development are in many respects important contributions to the literature of transportation. Both books are written in unusually readable style; they are well illustrated, and contain comprehensive bibliographies. *The Navigable Rhine* was granted first place in the Hart Schaffner and Marx prize essay competition in 1910; and the complementary volume, dealing with the Elbe river as well as the port of Hamburg, is equally well done.

In *The Navigable Rhine*, the early history of the river, its relation to continental trade routes, and the long struggle for the abolition of the exorbitant tolls charged by river barons at every turn, constitute the first portion of the book. This is followed by an account of the relative decline of river traffic, which occurred between 1850 and 1875 coincidently with the development of railway transportation in Germany; and by an analysis of the causes of the revival of river transportation in recent years. Chief among these are the growth of a heavy tonnage in bulky materials, mainly coal, iron ore, and grain; the nationalizing of the German railways and the consequent elimination of ruinous competition; and the development of commodious harbors, wharves, and shipping facilities, by riparian cities.

*The Port of Hamburg* contains, in addition to a good description of river and port facilities, an excellent account of Hamburg's oversea steamship lines and traffic; her shipbuilding industry and her general trade; and a discussion of the German policy of state aid in the development of a merchant marine. In both studies the descriptive portion of the work is exceptionally good.

The chapters which should prove of most interest to American readers are those concerned with the question of river and rail rates. But unfortunately here the author has not maintained the high standard shown elsewhere. He seems to have taken it for granted that water transportation is substantially cheaper than that by rail; and that a few illustrative rates will suffice to enlighten those not aware of the fact. But in comparing rates by rail and water, Mr. Clapp makes no mention of the fact that

railway rates cover the entire cost of the railroad and afford large profits to the state besides, whereas the water rates cover merely the haulage costs of the boat companies plus a reasonable profit thereon, the state having to meet a large deficit each year on account of interest and maintenance charges. Again, the author observes that in order to be successful, a harbor and a river must have a *hinterland* of wide area. Riparian traffic alone is not sufficient to make a water route successful; and transshipping from rail to water is therefore a necessity. But the author has given no attention to the question whether the cost of transshipping from rail to river or vice versa is not prohibitive; nor does he make any recognition of the fact that the German government fixes only nominal rates for transshipments, much less than the actual cost of the service—the deficit coming out of general taxation. The fact is that German rail rates are purely arbitrary; it is not intended that they should compete with the waterways for certain kinds of traffic. A comparison of rates, therefore, proves nothing as to the economic efficiency of the rival carriers. Whatever may be the truth of the matter as regards the cost of transportation by river and by rail, Mr. Clapp has not adequately treated the subject. It is especially to be regretted that by innuendo, at least, the author expresses the conviction that virtually all water transportation, whether by naturally navigable river or artificial canal, is cheaper than that by rail. The lesson taught, moreover, seems to be that the United States should follow the example of Germany, and make the most of its water transportation possibilities.

The last chapter of *The Navigable Rhine* purports to be a comparative study of the Rhine and the Mississippi. Here, again, the work is not thorough. It is observed that, if transportation is to become important on the Mississippi, coöperation must be maintained between the railways and the river, and the river must be enormously improved. But as to the cost of such a development, as compared with that on the Rhine, Mr. Clapp is wholly silent. It is stated that physical difficulties in the way of harbor construction are not insurmountable, if only the Mississippi cities will shake off their apathy and undertake the task in earnest; but again there are no comparisons as to the probable cost. It is suggested that the Mississippi is not so situated with reference to trade routes as to secure a traffic comparable to that on the Rhine. This is only too true, and it is to be regretted that Mr. Clapp did

not carry his investigations further in an effort to determine whether, with the greater cost of improving the Mississippi and the much smaller traffic available, it would be, after all, worth while to undertake an extensive improvement of that river.

On the descriptive side, the books are exceptionally good; but on the economic side, they are unconvincing.

H. G. MOULTON.

*University of Chicago.*

NEW BOOKS

BOHME, A. *Zur Entwicklung der Binnenschifffahrt in der Provinz Posen.* Tübinger staatswissenschaftliche Abhandlungen, No. 18. (Stuttgart: F. Enke. 1911. Pp. viii, 106. 3.60 m.)

COQUET, E. *L'organisation administrative et financière des chemins de fer de l'Etat.* (Paris: Giard & Brière. Pp. 52. 2 fr.)

DUNN, S. O. *The American transportation question.* (New York: Appleton. 1911. Pp. 289. \$1.50.)

DUSSOL, A. *Les grandes compagnies de navigation et les chantiers de constructions maritimes en Allemagne.* (Paris: Pedone. 1912. 35 fr.)

EDWARDS, A. *Panama; the canal, the country, and the people.* (New York: Macmillan. 1911. Pp. 585, maps. \$2.50.)  
Partly reprinted from various periodicals.

EHLERS, O. *Der Ostkanal ein Wirtschaftskanal von der Weichsel nach den masurischen Seen.* (Berlin: W. Ernst & Sohn. 1912. Pp. iii, 40. 3.60 m.)

FERRONI, F. *Un organismo ferroviario moderno. Le ferrovie di Stato svizzere. 1903-1910.* (Bologna: Verlag von Nicola Zanichelli.)

HEMMEON, J. C. *History of the British post office.* Harvard economic studies, Vol. VII. (Cambridge: Harvard University. 1912. Pp. xi, 261. \$2.)  
To be reviewed.

KILLIK, S. H. M. *Manual of Argentine railways.* (London: Effingham Wilson. Pp. 96. 75c.)

KIRCHOFF, H. *Die deutsche Eisenbahngemeinschaft.* (Stuttgart: J. C. Cotta. 3 m.)

FORBES-LINDSAY, C. H. A. *Panama and the canal today.* New revised edition. (Boston: L. C. Page. 1912. Pp. xiii, 474, illus., maps. \$3.)

DE LITWINSKI, L. *La question de la situation financière des chemins de fer de l'Etat belge.* (Brussels. 1911. Pp. 118.)

Discusses the shortcomings of railway accounting.

MEYER ZU SELHAUSEN, H. *Die Schifffahrt auf der Weser und ihren Nebenflüssen.* Tübinger staatswissenschaftliche Abhandlungen, No. 21. (Stuttgart: F. Enke. 1911. Pp. ix, 328. 11.60 m.)

MICHAELIS, E. *Die Canada-Pacific-Bahn. Finanzielle Entwicklung und wirtschaftliche Bedeutung.* (Berlin: Deutscher Börsenverlag. 1912. Pp. 23, charts. 1.80 m.)

MOOKERJI, R. *Indian shipping: a history of Indian shipping and maritime activity from the earliest times.* (London: Longmans. 1912. 7s. 6d.)

MOSSOP, C. P. *Railway operating statistics.* (London: The Railway Gazette. 1911. Pp. 120. 2s. 6d.)

MUN, T. *Englands Schatz durch den Aussenhandel.* Translated from the English by RUDOLPH BIACH. (Vienna: 1911. Pp. 211.)

Preceded by a detailed analysis of mercantilism interpreted in the light of the present economic situation.

SAFFROY, M. *Les voies navigables intérieures de la France. Leur constitution, leur mode d'exploitation, leur développement.* (Paris: A. Pedone. 5 fr.)

SCHECHER, K. L. *Verkehrslehre der Binnenschifffahrt.* Sammlung wasserwirtschaftlicher Schriften, Vol. IV. (Halle: Wilhelm Knapp. 1911. Pp. viii, 99. 4 m.)

STERNE, S. *Railways in the United States; their history, their relation to the state, and an analysis of the legislation in regard to their control; with supplementary notes continuing the record to 1911.* (New York: Putnam. 1912. Pp. xiii, 209. \$1.35.)

STRAZZULLA, G. *Contributo all' autonomia dei porti di commercio.* (Messina: Prem. off Graf. "la Sicilia." 1911. Pp. 38.)

TALBOT, F. A. *The railway conquest of the world.* (London: King. 1911. 6s.)

Contains many photographs.

UTZINGER, E. *Volkswirtschaftliche und finanzpolitische Bedeutung von Wasserstrassen in und zu Schweiz.* Verbandsschrift des nordostschweizerischen Verbands für Schifffahrt Rhein-Bodensee, No. 11. (Frauenfeld: Huber & Co. 1911. Pp. vii, 203. 4 m.)

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*Proceedings of the American electric railway transportation and traffic association, 1911; containing a complete report of the 4th annual convention.* (Atlantic City, N. J.: Secretary of the Association. 1911. Pp. 614.)

*Street railway service.* (Indianapolis: Special Libraries. 10c.)

————— *Railroad operating costs. A series of original studies in operating costs of the leading American railroads.* (New York: Moody's Magazine, Book Dept. 1912. Pp. 82. \$2.)

————— *Das deutsche Eisenbahnwesen der Gegenwart.* Two volumes. (Berlin: Reimar Hobbing. 1911. Pp. 507; 663. 15 m.)

————— *Die Verhandlungen über die Mosel- Saar- und Lahnkanalisierung im preussischen Abgeordnetenhaus am 3.3. 1911.* Südwestdeutsche Flugschriften, No. 14. (Saarbrücken: C. Schmidtke. 1911. Pp. 53. 0.10 m.)

### Trade, Commerce, and Commercial Crises

*Industrial Depressions: Their Causes Analyzed and Classified, with a Practical Remedy for Such as Result from Industrial Derangements; or From the Barometer of Trade.* By GEORGE H. HULL. (New York: Frederick A. Stokes Company. 1911. Pp. xiv, 287. \$2.75.)

Of this book the critical part, in which the writer seeks to clear the ground for his own theory of industrial depressions, is flimsy. Mr. Hull takes the two lists of alleged causes of crises published twenty-six years ago in the *First Annual Report of the Commissioner of Labor* as an adequate summary of existing theories. Of the 135 plus 180 explanations jumbled together in these lists, he rapidly eliminates as untenable all but one. This last survivor is high prices.

Readers acquainted with the substantial literature of business cycles will get little save amusement from this summary method of "proving untrue all written heretofore." But they will find the constructive chapters which follow well worth while. Here, Mr. Hull builds upon a long business experience, and reveals an insight which more than compensates for his lack of training as a critic. Not high prices in general, runs his thesis, but high prices of construction, is the hitherto "unknown cause of the mysterious depressions" from which industrial nations suffer.

In demonstrating this thesis, Mr. Hull contends that agriculture, commerce, and finance fluctuate within relatively narrow limits. Agriculture provides the necessities of life, commerce distributes them, finance adjusts the bills. The volume of all this business is fairly constant, because the demand for necessities is incapable of sudden expansion or contraction. Industry, on the contrary, may expand or contract indefinitely—especially that



part of industry which is devoted to construction work. For the sources of booms and of depressions, therefore, we must look to the enterprises which build and equip houses, stores, factories, railways, and the like.

Of the huge total of construction, which Mr. Hull believes to make over three quarters of all industrial operations, at least two thirds even in the busiest seasons consists of repairs, replacements, and such extensions as are required by the growth of population. This portion of construction is necessary and must be executed every year. But the remainder is "optional construction," and is undertaken or not according as investors see a liberal or a meager profit in providing new equipment.

Now, when the costs of construction fall low enough to arouse "the bargain-counter instinct," many of "the farseeing ones who hold the purse strings of the country" invest heavily, and their example is followed by the less shrewd. The addition of this new business to the regular volume of "necessity construction" plus the provision of ordinary consumers' goods creates a boom. But, after a year or two, the contractors find their order books filled with more work than they can get labor and materials to finish on contract time. When this oversold condition of the contracting trades is realized, prices of raw materials and of labor rise rapidly. The estimated cost of construction on new contracts then becomes excessive. Shrewd investors therefore begin to defer the execution of their plans for extending equipment, and the letting of fresh contracts declines apace. As they gradually complete their old contracts, all the enterprises making iron, steel, lumber, cement, brick, stone, etc., face a serious shrinkage of business. Just as the execution of the large contracts for "optional construction" in the low-price period brought on prosperity, so the smallness of such contracts in the high-price period now brings on depression. Then the prices of construction fall until they arouse "the bargain-counter instinct" of investors once more, and the cycle begins afresh.

Mr. Hull seeks to substantiate this theory of business cycles by an "analysis of all the industrial depressions of modern times." He finds that, while numerous panics have been brought on by strictly financial disorders, all true depressions have been caused by high prices of construction, and foreshadowed by high prices of iron. The means of prevention which he suggests is "the inau-

guration by the national government of a system for collecting and publishing monthly all pertinent information in relation to the existing volume of construction under contract for future months, and all pertinent information in relation to the capacity of the country to produce construction materials to meet the total demand thus indicated."

In some respects Mr. Hull's theory is closely related to that worked out by Spiethoff; but his fresh materials and fresh suggestions form a distinct contribution.

WESLEY C. MITCHELL.

*University of California.*

NEW BOOKS

- ARTHAUD, A. *Extension du régime des entrepôts et de l'admission temporaire.* (Marscille: Chambre de Commerce. 1911.)
- EBELING, P. *Handelsbetriebslehre. Die Lehre vom Wesen und von der Technik des Handels in enger Verbindung mit Mustern und Aufgaben für den schriftlichen Geschäftsverkehr des Kaufmanns.* (Leipzig: B. G. Teubner. 1912. Pp. vi, 141. 1.60 m.)
- FRANCK, R. *Le commerce de l'alcool.* (Paris: Rousseau. Pp. 406. 8 fr.)
- GERLICH, H. *Die Preisbildung und Preisentwicklung für Vieh und Fleisch am Berliner Markte (für Schweine).* Schriften des deutschen Vereins für Armenpflege und Wohltätigkeit, No. 135. (Leipzig: Duncker & Humblot. 1911. Pp. 160. 4 m.)
- HENNIG, R. *Von Deutschlands Anteil am Weltverkehr.* Second edition. (Berlin: Allgemeiner Verein für deutsche Literatur. 1911. Pp. 304. 5 m.)
- LANGE, E. *Die Versorgung der grossstädtischen Bevölkerung mit frischen Nahrungsmitteln unter besonderer Berücksichtigung des Marktwesens der Stadt Berlin.* Staats- und sozialwissenschaftliche Forschungen, No. 157. (Leipzig: Duncker & Humblot. 1911. Pp. viii, 83. 2.50 m.)
- LEO, V. *Industrie and Handelsprobleme. Abhandlungen und Aufsätze.* (Berlin: C. Heymann. 1911. Pp. viii, 363. 10 m.)
- PHILLIPE, C. *Der Schuldnerverzug beim gewöhnlichen Handelskauf.* Arbeiten zum Handels- Gewerbe- und Landwirtschaftsrecht, No. 8. (Marburg: Elwert'sche Verlag. 1911. Pp. xiii, 83. 1.80 m.)
- POHER, E. *Le commerce des produits agricoles.* Encyclopédie agricole. (Paris: J. B. Baillièrre et fils. 1911. Pp. 600. 5 fr.)
- PRATT, E. A. *A history of inland transport and communication in England.* (London: K. Paul. 1911. Pp. 544. 6s.)

RICHARDSON, T. and WALBANK, J. A. *Profits and wages in the British coal trade, 1898-1910*. (London: Simpkin. Pp. 96. 6d.)

In the mining industry an increased wage might be paid by slightly reducing profit and without increasing the selling price of coal. Advocates minimum wage.

SCHMIDT, M. G. *Geschichte des Welthandels*. Second edition. (Leipzig: B. G. Teubner. 1912. Pp. iv, 146. 1.25 m.)

SONNDORFER, R. *Die Technik des Welthandels. Ein Handbuch der internationalen Handelskunde*. Fourth edition, revised by K. Ottel. Two volumes. (Vienna: A. Hölder. 1912. Pp. xvi, 382; viii, 480. 21.40 m.)

STRAUSS, P. *Studien über die kommerziellen und kapitalistischen Beziehungen zwischen England und Australien*. (Frankfort: Chr. Schack. 1912.)

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*Philip's chamber of commerce atlas; with commercial compendium and gazetteer index*. (London: G. Philip. 6d.)

## Accounting, Business Methods, Investments, and the Exchanges

*Factory Costs*. By FRANK E. WEBNER. (New York: The Ronald Press Company. 1911. Pp. xxiii, 611. \$6.00.)

The author has divided his text into seven parts: Part I, consisting of four chapters, is entitled "Factors and Conditions." It is an introduction setting forth the needs of a cost system and the problems which are confronted in making cost-accounting installations. Part II gives 29 pages of discussion to the problems relating to the purchase, care and issuance of material. The writer takes the correct attitude towards the methods of apportioning material costs when scrap is used for the manufacture of subsidiary products. It is to be regretted that he omits all discussion of the budget method of issuing material as contrasted with the requisition system; nor does he give an adequate discussion of the limitations of the requisition system.

Part III is devoted to Labor Costs. Mr. Webner discusses the different schemes of wage payment and of recording time. While recognizing the fact that the subject of labor costs is given further consideration in another part of the volume the topic is handled rather briefly for a book of this character.

Part IV treats of the question of Expense; 104 pages are given to a discussion of the various items which enter into the expense

burden. The best part of the book, from the standpoint of accounting theory, is in this section. Mr. Webner understands, accepts, and applies the economic concepts in relation to interest and profits. He takes issue with the orthodox position that interest should not be included in the cost of manufacturing and gives a very good statement as to the reasons why the old position is untenable. His treatment of maintenance and depreciation is sound, as are also his views on increasing and decreasing land values and their effects on cost. His handling of the distribution of power costs, of local transport, of discount, of waste, and of variation of weights and of measures is all excellent. Mr. Webner is to be commended for fully facing the difficulties that are involved in distributing the so-called items of general expense. He includes in his manufacturing cost all items of expense which arise as a result of the manufacturing process. Simply that an expense is hard to distribute does not appeal to him as any reason why that item should be excluded. The problem of prorating administration expenses to the cost of manufacturing and to the cost of selling is boldly faced. Most accountants evade the whole problem of administration expense distribution by merely lumping them together in the allocation division of the income and expense statement and make them a reduction from "profits."

Part V gives a discussion of Cost Finding Plans. The author in these chapters devotes 103 pages to a discussion of the different methods of distributing costs. His explanations are clear and his observations on the different methods are well taken. Part VI consists of six chapters on the subject Cost Finding Charts. The charts are helpful in showing the relationship of the books and records that are used in the various kinds of cost finding plans and in showing the relationship of the books to the original records.

Part VII is headed "Subsidiary and Controlling Accounts" and devotes two chapters to factory accounts and their relationships to the general accounts. The third chapter entitled "The Production Register" discusses the use of production register and the methods that are to be employed in putting it into operation. Part VIII consists of 273 pages devoted to the subject of Forms. In this part of the book we have 219 forms illustrated with discussions of their uses. The reader will find much that is helpful but unless he is familiar with cost accounting methods, and already has a clear understanding of cost accounting in general, the forms

will be of little assistance to him. To the writer's mind this part of the book would have been better if distributed through the preceding sections.

The book is exceedingly valuable to the specialist in cost accounting and to factory managers, but it is not one that can be used effectively by beginners, and, to do the author justice, was not designed for such.

JOHN C. DUNCAN.

*University of Illinois.*

*Cost-Keeping for Manufacturing Plants.* By STERLING H. BUNNEL. (New York: D. Appleton and Company. 1911. Pp. x, 232. \$3.00.)

According to the author's preface, this book has been written for three classes of readers: first, the experienced accountant; second, accountants and manufacturers who have in operation modern cost-keeping methods; third, other manufacturers who have hesitated to investigate their costs, for fear of encumbering their effectiveness with "red tape," delay and expense. To the experienced accountant, "the author hopes to present, in an orderly, concise and comprehensive manner, approved principles of correct cost-keeping," and in this he has been very successful. The systematic way in which he has done his work becomes more apparent as one proceeds in the study; for after referring to the importance of keeping costs, he goes on to discuss the general principles involved in such accounting. After this, he takes up the elements which are included in the cost of a manufactured product, namely, material, labor, factory expenses (or "burden" as he calls it), and sundries. Each of these is treated in great detail, and usually with a clearness of exposition that leaves nothing to be desired—just enough elaboration being given to make the fundamental principles stand out prominently. None but those who have actually installed a system of cost accounts in a large establishment can fully appreciate the lucidity with which the author discusses each of these aspects of the subject. When he has exemplified the method by which an inventory may be taken so as to be correct in description, enumeration and appraisal, he considers (ch. xiii) the routine of cost-keeping;—and shows how the data which are given upon the material tickets, the

labor tickets, and the sundries tickets are brought together in the cost summary sheets, so as to give definite information as to the cost of production of the article or commodity. Chapter XIV is devoted to "Shipping, Summarizing, and Invoicing"; Chapter XV to "The Periodic Reports" that would be required by the department heads in order to guide them in the conduct of the works, by presenting a comprehensive survey of the operations carried on; while the last chapter, in describing "The Proper Use of the Cost System," proves how valuable the cost accounts are in making accurate estimates on new orders, in showing how the efficiency of the factory may be secured, and how economy of material, machinery, and labor may be ascertained and promoted. By his presentation of the utility of a good system of cost accounts, the author makes a strong appeal to those who have hitherto been indifferent or opposed to this important feature of business policy.

In a few instances clearness has been sacrificed, when it could easily have been retained. For example, "product" is included on both sides of the "statement" (p. 15), and the reason given therefor is obscure. Is it not a mistake to use the one account to mean one thing when included among the assets, and something entirely different when included among the liabilities? Further, the term "product," as a liability, is used to represent "the total invoiced value of manufactured goods sold to date." What does this mean? Does it mean the value of the material which was invoiced to the factory in order to make this product, or does it mean the amount for which these manufactured goods were sold, including the material, labor, and other items that have entered into the production? Later on, we learn that he means the latter. In either case, why should we include this under liabilities? Since the latter meaning is intended, the amount would be placed under accounts receivable, on the assets side of the statement. The corresponding credit would have been made at the time these manufactured goods were sold, and could not now enter here as a liability. It is confusion worse confounded to employ the name "product" with the double meaning here shown.

The methods of computing "burden rates" (ch. xi) are in some instances much involved—so much, indeed, that we fear that many manufacturers to whom Mr. Bunnell is trying to show the "simplicity" of cost accounts would be more than ever convinced

of the complexity of such a system. Theoretically, the author's plan may be scientific; but if applied in a *smaller* factory, where the offices of the bookkeeper and cost-clerk are centralized in one person, the latter would be overwhelmed in endless detail.

It seems unwise to have the storekeeper, when giving out the materials to the shops, charge a slightly higher price for them than was paid for them when they were put into the stock-room—the difference being due to interest on the capital for the period between the payment of the invoice and the actual use of the articles in the factory, to rent of storage space and facilities, to wages of stock-keeper, etc. (p. 81). If the storckeeper exercises this trading function, by giving out this material to the shops at a slight advance over cost, it is evident that the cost-keeper is not keeping account of *costs only*, but of cost plus some profit, which thereby leads to inaccuracy and confusion. It appears to the reviewer that the better policy is to include such additions to cost with the other items under the heading of general factory expense. In this way, "cost" would mean "cost" and nothing else. By this method, there would be no difficulty like that noted at the bottom of page 86, in keeping material in the storeroom always at cost price. Each step in the use of the cost sheets is fully explained; but the method of transferring the entries from the register sheets of cost, and of centralizing all in the general commercial books (see close of chapter xiv) is not elaborated with sufficient clearness; in other words, not enough attention has been given to the exact means of bridging the gulf between the cost accounts and the general accounts. A more satisfactory result would have been attained by taking a concrete illustration to exemplify the process that is here expressed verbally.

W. T. JACKMAN.

*University of Vermont.*

*Accounting Systems.* By EDWARD P. MOXEY, JR. (New York: Alexander Hamilton Institute. 1911. Pp. xvii, 468. \$2.50.)

This tenth volume of the series entitled "Modern Business," maintains the high character of its predecessor (vol. iii) on *Accounting Theory and Practice*. Most of the work is by Dr. Moxey, and shows the breadth of view of the practicing accountant and the clear presentation of the experienced teacher. The subjects

treated include the accounts of building and loan associations, life and fire insurance companies, banks, department stores, gas companies, railroad companies, and municipal accounting. Special chapters on the accounts of banking institutions, of breweries, and of estate executors and administrators, have been added by three other university lecturers. This work will widen the horizon of those who are aspiring to the best attainments in the profession, by giving them a comprehensive grasp of the application of the science of accounts, which ordinarily they could not obtain except by years of well-directed practice. For those who have not had the opportunity of practical professional training, there is here opened up such a wide field as to render it a decidedly stimulating study. To those who already have a good fundamental knowledge the exposition of the principles of accounting is always clear; but in a few cases more elaboration is necessary in order to make clear the significance of some things, as, for example, the annual statements given on pp. 85-87 and 88-95. From actual knowledge, we are convinced that very few persons can interpret balance sheets and other financial reports; and more attention should be given to this by those who would train men to expert work in accounting. The chapter on Municipal Accounting seems altogether inadequate as a treatment of so important a subject. Further, it is not presented in accordance with the plan for uniform municipal accounting recommended by the National Municipal League; and as the latter system is, for good reasons, being more widely adopted, it is doubtful if the author's system here outlined, although easily understood by the trained accountant, will be put into effect in many places, because of the fact that municipalities want a scheme of accounts that are easily intelligible to the average man.

W. T. JACKMAN.

*University of Vermont.*

*Increasing Human Efficiency in Business.* By WALTER DILL SCOTT. New York: The Macmillan Company. 1911. Pp. 339. \$1.25.)

In this contribution to the psychology of business, Professor Scott follows the plan already used by him in *The Theory of Advertising*. A mental factor, such as imitation, rivalry, concentration, is treated very simply in respect to nature, causation, and



control, choice being made from the standard psychological accounts of the facts most relevant to success in competitive trade. Applications to manufacturing, salesmanship, and the treatment of employees, are made as a result of judicious blending of psychology, the scattered facts of business administration, and Professor Scott's good sense. Both principles of theory and applications are supported by illustrative cases from business practice.

The factors so treated are: imitation, rivalry, loyalty, absorption and distraction, pleasure and displeasure, the direct intrinsic interest in making, selling, managing and the like, relaxation, practice, habit formation and judgment formation. There is also a chapter on the proper employment of theoretical education within business and one on the management of the wages-expense so as to get the maximum return from it. The book is for business men as such, and is professedly elementary and general, as becomes the presentation of a new application of a science to those who know little of it or any other science.

The author's statements of scientific fact will be accepted by psychologists as sound. They would perhaps prefer more reserve in such hopes as, "By the application of known physical laws the telephone and the telegraph have supplanted the messenger boy: by the laws of psychology applied to business equally astounding improvements are being and will be secured." One also regrets that Professor Scott will probably be interpreted as accepting the published accounts of the achievements of Messrs. Taylor, Gilbreth and others as safe measures of the results to be secured by the use of the devices which they advocate in the management of business in general. In education and medicine, at least, the early reports of the enthusiasts for some special method are rarely justified.

The illustrations of profitable acts and policies in business will be of interest to all students of human nature, especially since Professor Scott's use of them guarantees their authenticity. Most interesting of all of them are the cases of the power of one or another device to arouse action where economic self-interest alone had failed. So of the races for records amongst the different Carnegie mills, whereby a certain man "refused thousands of dollars in yearly royalties for the use of his inventions by outside companies, this though the men who sought them were personal friends and his contract with the Carnegie Company allowed such licenses. His

excuse was eloquent of the power residing in the Carnegie contest for efficiency and results: leadership for his charge, the Edgar Thomson works, in output and costs, meant more to him than money and a chance to help his friends."

In proportion as the scientific point of view is cherished by business men and these examples take the form of verified records of an impartial sampling of experiments made in business, psychology and, I think, the specialized social sciences, will find in them worthy material for analysis and constructive use even outside the field of industry and trade.

EDWARD L. THORNDIKE.

*Teachers College, Columbia University.*

*Shop Management.* By FREDERICK W. TAYLOR. (New York: Harper and Brothers. 1911. Pp. 207. \$1.50.)

This is a reprint, with some additions, of a paper presented in 1903 before the American Society of Mechanical Engineers. It should be considered in connection with the author's previous paper before the society, in 1895, entitled "The Piece-Rate System"; a subsequent paper published in 1906, entitled "The Cutting of Metals"; and his recent book *The Principles of Scientific Management*. The first of these papers dissects the various current methods of paying labor, and presents the argument for a task system, based upon scientific time study, and offering large prizes for satisfactory performance. The "Cutting of Metals" is a forcible proof of the value of the scientific study of productive processes, and is addressed to scientific and technical men.

For scientific shop management there is needed: (1) detailed studies which shall accurately establish the capacity of men, apparatus, and processes, and upon which, as a basis, a definite task may be required of every man; (2) a planning department which shall be the permanent agency for carrying on scientific study, for defining tasks, for conveying to every man the knowledge necessary for performing his task, and for the strict control of all the other vital factors involved in performance; (3) a system of rewards which shall offer the necessary inducement to secure the coöperation of all the workmen involved, and which shall fairly divide the advantages of superior efficiency between capital, labor, and the general public. The concluding portion of the book takes

up various difficulties attending the introduction of the system.

There are two special points involving labor policy, upon which public interest has concentrated. The first is as to what becomes of the discarded employees—those who are not able to attain to the standard of the best that a good man can do. The author directs our attention to the fact that scientific management elevates the unskilled laborer into a machine hand, and the mechanic into a functional foreman, and so causes an upward movement, so far as the grade of work is concerned, along the entire line of those retained. We may perhaps venture to infer that Dr. Taylor looks forward to a general industrial condition in which every man will be assigned to the highest task for which he is amply capable, the existing competition for employment at each task being taken into consideration. While this adjustment involves the descent of some to simpler tasks than they have previously performed, the division of labor implied in scientific management insures that a far larger number will ascend to a superior task: all will be benefited as consumers through the general increase in the productivity of labor.

The second point of interest is as to the principle of distributive justice according to which the division of the profit, due to increased productivity, will be made between labor and capital. Dr. Taylor emphasizes the necessity of a large reward to stimulate employees to large accomplishments, and establishes the rule that the bonus to labor should be enough, simply, to induce the laborer to coöperate. It may be inferred that Dr. Taylor sees that no other system could be used under a condition of free competition; that the reward of capital should be, by analogy, an amount sufficient merely to secure the necessary capital supply to maintain the conditions of scientific production; and that the remainder of the profit then will pass to the consumer in lowered prices.

In conclusion it must be said that the book before us is lacking in literary workmanship, in that the transition from one leading phase of the discussion to another is not made in accordance with any general plan of developing the subject. The reader is called upon to rework the matter into systematic form in his own mind; and to do this requires several readings. On the other hand, when taken point by point, the argument is clear, consistent, and restrained; it is marked by an atmosphere of decision and finality.

The matter presented is obviously backed by a large fund of experience, but this experience is consistently subordinated to the requirements of a simple general exposition.

EDWARD D. JONES.

*Ann Arbor, Michigan.*

#### NEW BOOKS

BABSON, R. W. and MAY, R. *Commercial paper*. (Wellesley Hills, Mass.: Babson's Statistical Organization. 1912. Pp. 253. \$2.)  
To be reviewed.

BOND, F. D. *Stock prices; factors in their rise and fall*. (New York: Moody's Magazine. 1911. Pp. 124, charts. \$1.)

BOWSTEAD, W., general editor. *The commercial laws of the world*. 35 volumes. (London: Sweet & Maxwell. 1912.)  
First volume deals with the Argentine Republic and Uruguay.

CAMPBELL, T. F. *Campbell's actual accounting*. (Indianapolis: Bobbs-Merrill Co. 1911. Pp. 135. \$2.)

CASSON, H. N. *Ads and sales; a study of advertising and selling from the standpoint of the new principles of scientific management*. (Chicago: McClurg. 1911. Pp. vii, 167. \$2.)

CHAMBERLIN, L. *The principles of bond investment*. (New York: Holt. 1911. Pp. xiii, 551.)  
To be reviewed.

DEAN, M. B. *Municipal bonds held void*. (New York: Maurice B. Dean. 1911. Pp. 122.)

Contains a summary by states of every decision in which American courts have held municipal bonds to be void, and statements of the principle underlying each decision.

EMERSON, H. *The twelve principles of efficiency*. (New York: Engineering Magazine. 1912. Pp. xviii, 423. \$2.)

ERWIN, F. A. *A summary of contracts to sell and sales of personal property at common law; with references to the uniform sales act*. (New York: L. J. Thompson. 1911. Pp. vi, 246. \$2.50.)

FOSTER, H. H. *Engineering valuation of public utilities and factories*. (New York: Van Nostrand. 1912.)

Quotations are made from some of the most important decisions of the Supreme Court and from the opinions of engineers.

FRANK, R. J. *Commentary on the science of organization and business development*. Third edition. (Chicago: Chicago Commercial Pub. Co. 1911. Pp. 280. \$2.75.)

GARCKE, E. *Factory accounts; their principles and practice*. Sixth edition, revised and extended. (New York: McGraw-Hill. 1912. Pp. 292. \$2.50.)

GERSTNER, P. *Bilanz-Analyse. Ein Führer durch veröffentlichte Bilanzen.* (Berlin: Max Pasche. 1912. Pp. 316.)

INGRAHAM, A. M. *Judicious bank advertising; or, methods of procuring new accounts and other profitable business.* (Cleveland, O.: A. M. Ingraham. 1911. Pp. 100. 50c.)

JARROUSSE, E. and others. *Les sociétés commerciales.* (Paris: Bulletin Commentaire des Lois. Pp. 236. 6 fr.)

JOHNSTON, A. C. *The credit man's handbook.* (Dallas, Tex.: National Pub. Agency. 1911. Pp. 73. \$2.50.)

KNOPPEL, C. E. *Maximum production in shop and foundry.* (New York: C. E. Knoepfel. 1911. Pp. 400, illus. \$2.50.)

LEAKE, P. D. *Depreciation and wasting assets and their treatment in assessing annual profit and loss.* (London: Henry Good & Son. 1912. Pp. xi, 195.)

MCGRATH, T. S. *Timber bonds.* (Chicago: Craig-Wayne Co. 1911. Pp. 504.)

To be reviewed.

NEUMANN, A. *Kritische Kurstabellen der Berliner Börse 1912.* (Berlin: Finanz-Verlag A. Neumann. 1912. 3 m.)

NIX, F. E. *When the American cotton exchanges are dead.* (Dallas, Tex.: Cotton and Cotton Oil News. 1912. Pp. 124. 25c.)

OEHLMANN, H. *Die juristische Behandlung und die wirtschaftliche Bedeutung der Effekten-Termingeschäfte.* (Hannover: A. Troschütz. 1911. Pp. viii, 73. 2.40 m.)

PARKHURST, F. A. *Applied methods of scientific management.* (New York: Wiley & Sons. 1912. Pp. xii, 319. \$2.)

To be reviewed.

REAKE, P. D. *Depreciation and wasting assets, and their treatment in assessing annual profit and loss.* (London: King. 1912. 10s. 6d.)

ROLLINS, M. *Stocks and their market-places.* Boston: Dana Estes & Co. 1912. Pp. 211.)

A pocket book containing convenient definitions of terms concerned with stocks and the brokerage business. Current abbreviations and slang phrases are explained.

ROLLINS, M. *Tables of bond values showing net return from bonds paying interest semi-annually.* Seventeenth edition. (Boston: Dana Estes & Co. 1911. Pp. 84. \$3.)

SASTRI, S. N. *The Mahomedan law of inheritance. Being a digest of the law of inheritance according to the Sunni and Shiah sects, and of the Anglo-Indian statute law and case law on the subject, together with a chapter on partition.* (Madras: Higginbotham & Co. Pp. 343. 5s.)

SCHAFF, S. R. *Essential points governing the financial value of an engineering property.* (New York: Richardson Press. 1912. Pp. 87. \$1.)

SCHLEISING, K. *Die neueren Veränderungen in der Grundbesitzverteilung der Niederlausitz.* Rechts- und staatswissenschaftliche Studien, No. 42. (Berlin: Ebering. 1911. Pp. 173. 5.50 m.)

WERNICKE, J. *Warenhaus, Industrie und Mittelstand.* Rechts- und staatswissenschaftliche Studien, No. 44. (Berlin: Ebering. 1911. Pp. 113. 2.40 m.)

————— *Account book of a country store-keeper in the 13th century at Poughkeepsie. Records in Dutch and English, preserved among the papers in the office of the clerk of Dutchess county, N. Y.* (Poughkeepsie: Vassar Brothers' Institute.)

————— *Proceedings of the national association of comptrollers and accounting officers.* (Detroit, Mich.: Deputy City Comptroller.)

————— *Technology and industrial efficiency. Proceedings of the congress of technology, held in Boston, April, 1911.* (New York: McGraw-Hill. 1911. Pp. 486, illus. \$3.)

## Capital and Capitalistic Organization

*The History of the Government of Denver with Special Reference to its Relations with Public Service Corporations.* By CLYDE LYNDON KING. (Denver: The Fisher Book Co. 1911. Pp. xvi, 322. \$1.50.)

This monograph presents the results of a thorough study of the development of the forms of local government in the Colorado capital, together with an account of so much of the functions of local government as concerns the chief so-called public utilities. Police and fire administration, public health and parks, charities and penal institutions, housing problems, education and municipal finance—all these matters receive only incidental mention; but within the limits which the author has set for himself, his work is comprehensive, accurate and judicious.

For example, consider such a feature of local government as the initiative and referendum. Dr. King states all the main facts relating to the use of the initiative and referendum in Denver in connection with the grant of special privileges to the local street railway, lighting, water, and telephone companies. In conclusion (pp. 305-6) he declares:

The referendum proved to be the best agent of control yet adopted; it educated the public as to the value and meaning of franchise grants;

it secured better social and financial remuneration for the city's franchises; it made the public service corporations somewhat appreciative of the fact that they are public institutions . . . . But the unaided referendum has failed to secure the best of franchises, and it has not divorced the city government from its public utilities.

This is substantially the conclusion reached by Delos F. Wilcox at the end of his study of the same experience and of similar experiences in other cities. (See *Municipal Franchises*, Vol. II, pp. 720-1.)

Much of Dr. King's discussion of this topic covers ground already made familiar to the public through the writings of Judge Ben B. Lindsey. Referring to Judge Lindsey's account of the referendum election in 1906 on the street railway and lighting franchises, Dr. King says (p. 279, note): "It is accurate and has been amply verified."

Dr. King is an ardent partisan of the plan for municipal government by commission (pp. 302-3). At the same time he praises highly (pp. 233-4) the first home-rule charter, embodying a plan of government not unlike that now existing in Los Angeles, and defeated at a special election in 1903 through the combined efforts of the professional politicians and public service corporations. Just why he prefers the commission plan to the earlier one, he does not make altogether clear. It is one of the few topics of current interest lying within his field of which the author's treatment is not wholly satisfying. In the main, this monograph is excellent.

A. N. HOLCOMBE.

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#### NEW BOOKS

BAYS, A. W. *The law of private business corporations, with questions, problems, and forms.* American commercial law series, Vol. v. (Chicago. Callaghan. 1912. Pp. 195. \$1.50.)

CLARK, J. B. *The control of trusts.* New and revised edition. (New York: Macmillan. 1912.)

EASTMAN, F. M. *A cumulative supplement to the second edition of Eastman on private corporations in Pennsylvania.* (Philadelphia: G. T. Bisel Co. 1911. Pp. 321. \$3.)

ENKE, A. *Das Anwachsen der Aktiengesellschaften in der Elektrizitäts- und Textil-Industrie.* (Stuttgart: F. Enke. 1912. Pp. 111. 3.60 m.)

- FROST, T. G. *A treatise on the federal corporation tax law.* (Albany: M. Bender & Co. 1911. Pp. 321. \$4.)
- GARIEL, G. *La centralisation économique en Suisse.* (Paris: Roussseau. Pp. 150. 4 fr.)
- GREINER, F. *Die finanzielle Ueberwachung der Gaswerksunternehmungen.* (Berlin: K. Oldenbourg. 1911. 3.60 m.)
- HAUSSMANN, H. *Die Gründung der Aktiengesellschaft.* (Halle: K. Arndt. 1911. Pp. 80. 2 m.)
- JORDAN, P. *Der Zentralisations- und Konzentrationsprozess im Kommissionsbuchhandel.* (Jena: Fischer. 1911. Pp. viii, 200. 5 m.)
- JOYCE, J. A. *A treatise on monopolies and unlawful combinations or restraints.* (New York: Banks Law Pub. Co. 1911. Pp. lxvi, 767. \$6.50.)
- NORTH, F. A. *North's corporation handbook.* Third edition. (Boston: Incorporation Co. 1912. Pp. 132.)  
A practical handbook designed for those engaged in forming a corporation.
- OVERZIER, P. *Der amerikanisch-englische Schiffahrtstrust; Morgan-Trust mit besonderer Berücksichtigung seiner Beziehungen zu den deutschen Dampfschiffahrtsgesellschaften.* (Berlin: Heymann. 1912. Pp. 123. 4 m.)
- PARKER, J. S., editor. *The corporation manual.* Seventeenth edition. (New York: Corporation Manual Co. 1912. Pp. 2040. \$7.)  
Covers the statutory provisions of domestic business corporations and regulation of foreign corporations in the several states and territories of the United States; includes forms and precedents.
- ROSS, C. *Die Entstehung von Grosseisenindustrie an der deutschen Seeküste.* (Berlin: J. Springer. 1911. Pp. vii, 104. 3.60 m.)
- DE ROUSIERS, P. *Les syndicats industriels de producteurs en France et à l'étranger.* (Paris: A. Colin. 1912. Pp. x, 291. 3.30 fr.)  
To be reviewed.
- SEARS, J. H. *Effective substitutes for incorporation.* (St Louis: Counselors Pub. Co. Pp. 30. \$1.50.)
- SEIBELS, W. T. *Produce markets and marketing.* (Chicago. 1911. Pp. xiii, 290. \$2.50.)
- WALKER, J. B. *State regulation of public service corporations in the city of New York.* (New York: Public Service Commission. 1911. Pp. 60.)
- WEGENAST, F. W. *Extra-provincial corporations.* (Toronto: Carswell Co. Pp. 120. \$1.50.)
- WHITE, F. *White's manual for business corporations; New York.* Eighth edition, revised. (New York: Lawyers' Coöperative Pub. Co. 1912. Pp. vi, 470. \$2.50.)



YOUNG, E. H. *Foreign companies and other corporations.* (London: Camb. Univ. Press. Pp. 344. 12s.)

———. *Company laws. Comparative analysis of the company laws of the United Kingdom, India, Canada, Australia, New Zealand, and South Africa.* (London: King. 5d.)

*Die deutsche Kali-Industrie und das Kaligesetz. Eine volkswirtschaftliche Studie.* (Hannover: Hahn. 1911. Pp. viii, 152. 5.40 m.)

### Labor and Labor Organizations

*The History and Problems of Organized Labor.* By FRANK TRACY CARLTON. (Boston: D. C. Heath and Company. 1911. Pp. xi, 483. \$2.00.)

Professor Carlton has given us a useful textbook in a field in which Adams and Sumner's *Labor Problems* has heretofore stood alone in excellence. He has held firmly to his purpose and has not yielded to the temptation—a very real one—of giving undue space to topics toward which his own research has been especially directed. The title is somewhat misleading, for the book treats of many problems that are the concern not merely of organized labor, but of all labor; and the historical discussion deals not with the general subject of organized labor, but with organized labor in the United States. Since the preface makes clear the purpose of the work, the mere name is not highly important.

The scope of the book may be shown by an enumeration of its chapter headings: the significance of organized labor; the pre-Civil War period; the Civil War period, 1857-1872; the period of national organization; government and policies of labor organizations; coercive methods; industrial remuneration; methods of promoting industrial peace; protective legislation for employees; immigration; the sweated industries; child labor; women labor; prison labor; unemployment; industrial and trade education; recent tendencies.

The chapter on The Significance of Organized Labor contains a good analysis of present industrial problems and of the relation of labor to these problems. There is lacking, however, a discussion of the various stages through which labor has passed, such as slavery, serfdom, the gild system, and the different stages of the domestic system. The undergraduate student is usually wanting in background and perspective, and it is not safe, in the prepara-

tion of a textbook, to assume that the student has been trained in economic history. In the latter part of this chapter, Mr. Carlton makes good use of Mr. Hoxie's excellent articles on the point of view of the trade-unionist.

In the four chapters on the history of American trade-unions, Mr. Carlton has given us the best general sketch of the American labor movement that is in existence. The great value of the *Documentary History of American Industrial Society* is made manifest by frequent citations from that scholarly work. Chief emphasis is given to the development of what, for want of a better name, may be called national federations, and a little space is given to the history of national organizations of individual trades. There may well be regret that more attention could not have been accorded the national unions, or, at least, to some of the representative ones. It is true, however, that we have few intensive studies of national unions on which to base generalizations. The section given to the history of the American Federation of Labor is occupied in part with an analysis of the government and policies of the Federation; this analysis could more properly have been placed in the chapter dealing with these topics. The author takes a somewhat gloomy view of the present position of the American Federation, and places emphasis upon the loss of membership in 1909. Can it be said that this loss was due to powerful associations of employers and to adverse court decisions? May not industrial depression, causing arrears in membership dues, explain in large part the decrease in membership? The years 1910 and 1911 witnessed large increases in membership, more than recovering the loss of 1909 and bring the present enrolment much above the previous maximum, that of 1904. The book gives small space to women's trade-unions, explained by the fact that until the recent publication of the study by Messrs. Andrews and Bliss very little was accurately known about this important phase of the American labor movement.

The section on employers' associations is not the most valuable in the book. This and other sections seem to indicate that Mr. Carlton is of the opinion that the chief purpose of employers' associations is to crush labor organizations. It is doubtful if this can be proved. Mr. Hilbert in his study of employers' associations (*Johns Hopkins Studies*) is of the opinion that militant associations are ephemeral in character and likely to pass away with the

occasions that called them into being, while the typical employers' associations will continue to exist as a basis for collective bargaining with the workers.

The chapter on the government and policies of labor organizations is the best and longest in the book; it gives ample evidence of the author's command of his subject and how well he has succeeded in compressing into small space the essential features of the government and practices of labor organizations. Mr. Carlton makes no apology for violence on the part of unionists in strikes. He does, however, give much attention to violence on the part of employers; and there is danger of the student's coming to the conclusion, that since these methods are used by employers, labor is justified in meeting force with force. It should be made clear that the public will not tolerate violence on the part of employees or of employers, and that the present attitude of both parties is, in most cases, absolutely unethical. The section on the attitude of the courts to boycotts and strikes is not clear, but it is, perhaps, as clear as a muddled subject will allow. It has not been made clearer by Martin, Cooke, nor Clark. Perhaps the impression left upon the student of a maze of conflicting rulings will, after all, be the most correct impression.

An excellent feature of the book is the discussion of labor policies in the light of economic theory. This is very helpful, for undergraduate students in their later studies are prone to forget their previous readings in economic principles. One or two modifications are suggested: The statement is made (p. 166) that a monopoly "may grant higher wages and make the concession an excellent excuse for permanently raising the price of its products." Even though the wages be raised, the price of the products would not be increased unless this increased price gave the highest net profit. On page 6 occurs the statement: "In a broader sense, real wages include not only the goods and services secured with money wages, but also the services rendered the individual by the community"; even if this view of wages were accepted, the direct and indirect taxes paid by the individual would have to be subtracted to get the net value to the individual of the services rendered him by the community.

Notwithstanding the foregoing questions of qualification which have been raised, the work undoubtedly will be accepted as an important addition to the literature of its field.

*University of Illinois.*

J. K. TOWLES.

*The Law of the Employment of Labor.* By LINDLEY D. CLARK.  
(New York: The Macmillan Company. 1911. Pp. xiii, 373.  
\$1.60.)

As its title indicates, this volume, with respect both to subject matter and mode of treatment, is in the nature of a legal textbook. In brief, it is a simple statement of the legal status in the United States so far as concerns "workmen and their employers in their relations as such."

The attempt to cover this field within the limits of a single volume of convenient size has forced the author to confine the discussion to the principles of the common law in their most important phases and to the general nature and trend of legislation, with a minimum of annotation. Thus, in the main, what is given the reader on each topic is a clear but brief statement of the authoritative judicial rulings and an equally brief statement of the general effect of statutory enactments, where such exist. This rule of treatment, however, is departed from at times, notably in connection with statutes covering workmen's compensation and mediation and arbitration in labor disputes, where some analysis is given of specific enactments, especially of the Federal Compensation Law of 1908. The author's own judgments are confined mainly to the selection of leading cases, the statement of the effect of decisions, the determination of the weight of authority, and the pointing out of distinctions.

As befits a legal handbook there is no attempt in this volume to trace the development of the law historically or to interpret it causally, while the limits prescribed do not allow of a definite and conclusive statement of the legal status in any particular commonwealth. The economic student, therefore, will be apt to find the treatment somewhat lacking in realism and insight.

Considering, however, the avowed nature of the work, it is difficult for the lay reader to offer any but the highest degree of praise. Mr. Clark's connection with the Bureau of Labor and his previous contributions to the literature of this subject guarantee the adequacy of his information and of his legal judgment. The book, therefore, may be taken by the nontechnical student as authoritative. It offers him thus a clear-cut comprehensive statement of the law, in language relieved from legal verbiage and subtlety, organized with reference to the most vital labor problems, with copious specific case and statutory citations, with an excel-

lent topical index and a long list of cases cited with page references. Especially does it give a simple yet illuminating treatment of the liability of employers for injury to employees, workmen's compensation laws, trade and labor associations, and labor disputes.

To the business man and the laborer desirous of knowing his rights and duties, of what is likely to be held legal or to be forbidden by the law, this work of Mr. Clark's will constitute an ideal hand-book, while to the student of labor conditions and controversies it will serve as a most convenient text.

R. F. HOXIE.

*University of Chicago.*

*The Living Wage of Women Workers: A Study of Incomes and Expenditures of Four Hundred and Fifty Women Workers in the City of Boston.* By LOUISE MARION BOSWORTH. (Philadelphia: The American Academy of Political and Social Science. 1911. Pp. vi, 90.)

The present volume, prepared for the Women's Educational and Industrial Union of Boston, is a study of the expenditures of 450 working-women in occupations varying from those called professional to those called "kitchen." It is at once a contrast in method to the report<sup>1</sup> recently published by the federal Bureau of Labor, which deals with the expenditures and earnings of much larger and at the same time more homogeneous groups,—444 retail saleswomen and 726 factory girls; and the very intensive study that has just been issued from the Labour Department of the Board of Trade of England<sup>2</sup> which presents in admirable detail thirty complete accounts sent weekly to the Department for one year but from which "no generalizations or theories on expenditures are offered."

In Miss Bosworth's volume we are given an interesting and readable account of the various types of lodgings in which working-women of Boston live and of certain general characteristics of their expenditures. From the statistical point of view, however, the volume is open to criticism, and it may be seriously questioned whether it throws any new light on the "living wage." The only

<sup>1</sup> *Report on Condition of Women and Child Wage-Earners in the United States*, vol. v. *Wage-Earning Women in Stores and Factories*.

<sup>2</sup> *Accounts of Expenditures of Wage-Earning Women and Girls*, Cd. 5963.

discussion of this point is to be found in less than three pages of Professor Baldwin's introduction, and, with facts as they are presented, one questions the validity of the conclusions that are drawn. Just what is meant by the "living wage of women workers" as it is used in the present volume is nowhere explained, and yet, if we are to accept the fact that the living wage in Boston is any specific sum, we should like to know its precise meaning. Does the living wage for women mean, as it does for men, the ability to keep others as well as one's self, to support a family or send money home to Russia or Italy? And is it not, to say the least, questionable to attempt to find any single "living wage" for all grades of women-workers from the kitchen employee to the professional woman, and any one living wage for all parts of Boston. Certainly the work of the professional woman involves expenses which the kitchen employee is not obliged to meet, and what represents a living wage for the latter may be far short for the former. Moreover, the section dealing with Boston in the report of the federal Bureau of Labor on *Wage-Earning Women in Stores and Factories* shows that average cost of shelter, food, heat, light and laundry varied for store employees from \$3.02 in Jamaica Plain to \$6.31 in the South and West Ends and Back Bay. For factory employees the average cost varied from \$3.66 in the North End to \$4.81 in the South and West End and Back Bay.<sup>3</sup> Miss Bosworth's averages are from all parts of the city.

A fundamental objection, moreover, to accepting any of the conclusions drawn from the tables of averages is that we are not told what any of the averages represent. Just what occupations are included in the group called "professional," and how many budgets were obtained for this group, and what was the range of incomes within the group? Similar questions must be raised about the "clerical" group or the "factory employees"; what kinds of factories are represented and what occupations in those factories? Some such careful scrutiny of the make-up of the averages would seem to be necessary. In short if we are to accept any conclusions drawn from Miss Bosworth's averages, we must know a great deal more about the data that lie back of them. We are not, for example, even told the number of replies on which the different tables are based. Professor Baldwin casually mentions the fact

<sup>3</sup> See *Report on Condition of Woman and Child Wage-Earners in the United States*, vol. v, p. 92.

that "as not all of the 450 schedules which were received contained entries under all headings of inquiry the number of cases represented in the different tables varies somewhat. The number of schedules giving returns for clothing which was about the average number in the different divisions of the investigation was 399, distributed as follows: . . ." Then follows the only table that shows the number represented in any of the groups. These clothing returns represent 143 replies from the clerical group, 88 from factory employeess, 64 from waitresses, 49 from salesgirls, 37 from the professional group, and 18 from kitchen workers; no discussion of what proportion these represent of the total number of any of these groups in Boston is given. In the classification by wage groups, the numbers vary as follows: 51 in the \$3-5 a week group, 185 in the \$6-8 group, 102 in the \$9-11 group, 36 in the \$12-14 group, and 25 in the group earning \$15 and over. No comment on these figures was thought necessary, nor was any statement prepared regarding the character of the data in any other group. Attention may be called to one other of a considerable number of statistical difficulties presented by these tables. In the table under the title "Annual Expenditures Representing Living Wage," the largest item is that for food, \$169.70, and the second largest item \$117.06, which is nearly \$30 larger than any other item, is the expenditure for "miscellaneous," a heading which really means nothing. In a preface to the volume it is acknowledged as a fair criticism that accurate statements of expenditure can be obtained only from account books and not from memory. In the present case we are told that "inaccuracies probably occur chiefly under the heading of miscellaneous expenditures," and yet this inaccurate miscellaneous group represents nearly one fourth of Professor Baldwin's living wage. The report, in short, raises a very considerable number of statistical difficulties. Miss Bosworth has given us an interesting and informing essay on living conditions and methods of expenditure among working-women in Boston. It does not seem to be of value, however, as a statistical contribution to a study of the "living wage" whatever that term may be taken to mean.

EDITH ABBOTT.

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*Tables Showing the Rules and Expenditure of Trade Unions in Respect of Unemployed Benefits and also Showing Earnings in the Insured Trades.* (London: Wyman and Sons. 1911. Pp. ix, 327. 2s. 6d.)

These tables were prepared by the Board of Trade in connection with the scheme of insurance against unemployment contained in the National Insurance Bill, which has now become law. The first part of the report contains the most detailed account of the unemployed benefits of the English trade-unions which has been published. It comprises an analysis of the financial rules of the unions with regard to unemployed and traveling benefits in force in 1908, the expenditure in 1908 of each union on the various kinds of unemployed benefits, and the total and per capita expenditures on unemployed benefits in the trades insured under the bill for each year from 1900 to 1909, inclusive.

The total figures are impressive. In 1908, 1,473,389 trade-unionists were members of unions which paid unemployed benefits. The number of unionists eligible to benefits is not reckoned, but it was probably about 1,200,000, or approximately one half of the total number of English unionists. The predominant amount of the weekly benefits was from 9s. to 15s. and the total expenditure in 1908 was £1,245,110, or about £1 per head of insured. About one third of the unionists now eligible to benefits are in the trades which are insured under the bill. In these trades the mean annual expenditure per head of eligible membership for the years 1900-1909 ranged from 1d. for the builders' laborers to 33s. 5d. for the iron founders.

The statistics of earnings in the trades insured under the bill which make up the second part of the report, are based on information collected by the Board of Trade in 1906. As a series of reports based on this material has already been published, the present report adds nothing of interest to wage statisticians.

GEORGE E. BARNETT.

*Johns Hopkins University.*

#### NEW BOOKS

ADAMS, E. A. and SPRACKLING, W. E. *Employer's liability and workmen's compensation.* (Providence, R. I.: Legislative Reference Bureau of the Rhode Island State Library. 1912. Pp. 69.)

A summary of state legislation, and bibliography of material in Rhode Island State Library.



AFTALION, and others. *Le règlement amiable des conflits du travail. Rapports à l'association nationale française pour la protection légale des travailleurs.* (Paris: Alcan. 2.50 fr.)

BARNHOLT. *Aus der Geschichte der deutschen Arbeiterbewegung.* Fortschritt-Bibliothek, No. 8. (Munich: Buchh. Nationalverein. 1911. Pp. 53. 0.50 m.)

BRAKE, L. *Werkzeugmaschine und Arbeitszerlegung.* Schriften des Verbandes deutscher Diplom-Ingenieure. (Berlin: Krayn. 1911. Pp. 68. 2.80 m.)

BELLET, D. *Le chômage et son remède.* Preface by PAUL LEROY-BEAULIEU. (Paris: Alcan. 1912. Pp. viii, 282. 3.50 fr.)

BOYAVAL, P. *La lutte contre le sweating-system. Le minimum légal de salaire. L'exemple de l'Australasie et de l'Angleterre.* (Paris: Alcan. 12 fr.)

France should consider legislation for a legal minimum wage.

CHASE, P. W. *Labor, law and justice.* (Stamford, Conn.: The Bulletin Pub. Co. 1912. Pp. 132. 50c.)

An essay in which the author, basing his argument upon equal right and equal justice to all, endeavors to find an adequate solution without regard to existing law. Payment for injuries is to be made by the federal government under a system of national insurance.

CLAY, A. *Syndicalism of labour; notes upon some aspects of social and industrial questions of the day.* (New York: Dutton. 1911. Pp. xvi, 230. \$2.25.)

To be reviewed.

CLIFFORD, E., compiler. *Union label laws.* (Washington: The American Federation of Labor. 1911. Pp. xxiii, 150.)

This contains the state statutes relating to union labels in full or in substance, forms for application to register labels in the states, a digest of court decisions relating to the label, and discussions of the civil and criminal remedies for the protection of the label. The pamphlet was obviously designed as a *vade mecum* for lawyers employed by unions to register labels or to prosecute infringements, but it will also be of interest to economists who are interested in trade-unionism, since it brings into compact and accessible form a considerable mass of material relating to the legal aspects of the union label.

G. E. B.

COTTERILL, C. C. *A living wage. A national necessity. How best to get it.* (London: Fifield. Pp. 86. 6d.)

DOHERTY, P. *The liability of railroads to interstate employees; a study of certain aspects of federal regulation of the remedy for death or injury to employees in service of interstate railroads.* (Boston: Little, Brown & Co. 1911. Pp. 371. \$3.)

DUNLOP, O. J. *English apprenticeship and child labour.* (London: Unwin, 10s. 6d.)

EVANS, D. *Labour strife in the South Wales coalfield, 1910-11.* (Cardiff: Educational Pub. Co.)

Valuable for its documentary material.

FREEMAN, A., editor. *Studies in economics and political sciences: Seasonable trades.* Introduction by SIDNEY WEBB. (London: Constable.)

GEMMING, A. *Das Handwerkergerossenschaftswesen in Württemberg.* Tübinger staatswissenschaftliche Abhandlungen, No. 19. (Stuttgart: F. Enke. 1911. Pp. xvi, 106. 4.20 m.)

GIBB, S. J. *The problem of boy-work.* Preface by H. SCOTT HOLLAND. (London: Gardner, Darton. Pp. 96. 1s. 6d.)

GRAND, G. G. *La philosophie syndicaliste.* (Paris: B. Grasset. 2 fr.)

GROAT, G. G. *Attitude of American courts in labor cases.* Columbia University studies in history, economics, and public law, Vol. XLII. (New York: Longmans. 1911. Pp. 400. \$2.50.)

To be reviewed.

HENDERSON, F. *The labour unrest: what it is and what it portends.* (London: Jarrold. 2s. 6d.)

HELL, E. *Jugendliche Schneiderinnen und Näherinnen München.* Müncher Volkswirtschaftliche Studien, No. 115. (Stuttgart: J. Cotta. 1911. Pp. vii, 178. 4 m.)

HUMPHREY, A. W. *A history of labour representation.* (London: Constable. Pp. 224. 2s. 6d.)

JEAN, O. *Le syndicalisme. Son origine. Son organisation. Son but. Son rôle social.* (Reims: Action Populaire. 1 fr.)

KEMPF, R. *Das Leben der jungen Fabrikmädchen in München.* (Leipzig: Duncker & Humblot. 1911. Pp. 243. 6 m.)

Home life, hours of labor, and earnings are examined. A statistical appendix shows the earnings of various members of families.

KESSLER, G. *Die Arbeitsnachweise der Arbeitgeberverbände.* (Leipzig: Duncker & Humblot. 1911. Pp. viii, 203. 5 m.)

KNOOP, D. *Industrial conciliation and arbitration.* Introduction by S. J. CHAPMAN. (London: King. 3s. 6d.)

LATOUR, F. *Les grèves et leur réglementation, enquête sociale.* (Paris: Bulletin de la semaine. Pp. xvii, 238. 3.50 fr.)

LEVENSTEIN, A. *Die Arbeiterfrage. Mit besonderer Berücksichtigung der sozialpsychologischen Seite des modernen Grossbetriebes und der psychophysischen Einwirkungen auf die Arbeiter.* (Munich: E. Reinhardt. 1912. 6 m.)

LOCATELLI, A. F. *Le leggi sul lavoro e il diritto internazionale operaio.* (Padova: Fr. Drucker. 1911. Pp. xii, 172. 2 l.)

MICHALKE, O. *Die Arbeitsnachweise der Gewerkschaften im Deutschen Reich*. (Berlin: G. Reimer. 1912. Pp. x, 306. 5 m.)

MILLS, H. E. *Socialism and the labor problem. Outlines for reading and study*. (Poughkeepsie, N. Y.: H. E. Mills. 1911. Pp. 63.)

Designed as a guide for reading in the college teaching of the author. The selections cover a wide and effective range.

OLIVETTI, G. *Manuale di legislazione sociale ad uso degli industriali*. (Torino: Societa tipografica-editrice nazionale. 1911. Pp. 215.)

PRATO, G. *Le protectionnisme ouvrier*. Translated from Italian into French by GEORGE BOURGIN. (Paris: Rivière. 1912. Pp. vi, 317. 7 fr.)

To be reviewed.

QUANTZ, B. *Zur Lage des Bauarbeiters in Stadt und Land. Eine volkswirtschaftliche Studie mit Haushaltsrechnungen und einem Ueberblick über die Entwicklung der baugewerblichen Verhältnisse Göttingens seit 1850*. (Göttingen: Vandenhoeck & Ruprecht. 1911. Pp. vi, 138. 3.60 m.)

ROUSSY, B. *De la déchéance de l'apprentissage. Ses maux et ses remèdes*. (Paris: Giard & Brière. 1 fr.)

SCHLOESSER, H. H. and CLARK, W. S. *The legal position of trade unions*. (London: King. 1912. 10s. 6d.)

SCHUMANN, F. and SORER, R. *Auslese und Anpassung der Arbeiterschaft in der Automobilindustrie und einer Wiener Maschinenfabrik*. Schriften des deutschen Vereins für Armenpflege und Wohltätigkeit, No. 135. (Leipzig: Duncker & Humblot. 1911. Pp. 257. 6 m.)

SIGG, J. *La protection légale du travail en Suisse*. (Paris: Alcan. Pp. 505. 6 fr.)

TAYLOR, R. W. C. *The factory system and the factory acts*. Second edition revised. (London: Methuen. Pp. 198. 2s. 6d.)

VALLET, J. *Contribution à l'étude de la condition des ouvriers de la grande industrie au Caire*. (Valence: Valentinoise. 1911. Pp. xv, 207. 7.50 fr.)

VERNE, H. *L'organisation du loisir ouvrier en Allemagne*. Les bibliothèques populaires, No. 1. (Paris: A. Rousseau.)

DE VISSCHER, CH. *Le contrat collectif de travail*. (Paris: A. Rousseau. 1911. 6.75 fr.)

WOLFE, A. B. *An analytical reference syllabus on the labor problem (including immigration) and on socialism*. (Minneapolis: The University Press. 1911. Pp. 19.)

Written for the General Federation of Women's Clubs. Special emphasis is placed upon women and child labor and the relations between capital and labor. A selected bibliography of titles is appended.

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*British working-men in Germany.* (London: Tariff Reform League. 1912. 9s. each.)

Volumes I, II, and III contain the reports of the members of the first seven deputations of delegates visiting Germany to study social and industrial conditions.

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*The threatened national strike in the coal trade; points at issue.* (London: King. 1911. 1s.)

*Employers and the compensation law.* By an accident claims inspector. (London: Sheratt & Hughes. 6d.)

*Proceedings of the international association of factory inspectors, 1893-date.* (St. Louis: W. W. Williams, secretary.)

*Report of royal commission on the working of the railway conciliation and arbitration scheme of 1907.* (London: King. 3d.)

*Standard time rates of wages in the United Kingdom at 1st January, 1912.* Cd. 6054. (London: Wyman. 1912. Pp. 124. 6d.)

*Statistics of compensation and of proceedings under the workmen's compensation act, 1906, and the employers' liability act, 1880, during 1910.* (London: King. 7d.)

*Enquête sur le travail à domicile dans l'industrie de la Lingerie.* Vol. V. (Paris: Ministry of Labor. 1911.)

*Le minimum de salaire et les administrations en Belgique.* (Brussels: J. I. c. b. è. g. u. e. et Cie.)

*Die wirtschaftlichen Kämpfe in der Eisen- Metall- und Maschinenindustrie in Oesterreich.* (Vienna: Volksbuchh. 1911. Pp. 464. 5 m.)

*Protokoll der Verhandlungen des 8. Kongresses der Gewerkschaften Deutschlands.* (Berlin: Buchh. Vorwärts. 1911. Pp. 448. 1 m.)

*Salari ed orari nell' industria edilizia in Italia negli anni 1906-1910.* (Roma: Ufficio del lavoro. 1911.)

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*Medici e ispettorato del lavoro. Commissione internazionale permanente per lo studio delle malattie professionali.* (Milano. 1911. Pp. 177.)

Contains an examination of medical inspection and suggestions for its improvement; bibliography of industrial hygiene and medical inspection.

## Money, Prices, Credit, and Banking

*Gold for India. A Plea for the Adoption of the Indian Currency Committee's Report of 1899.* By M. DE P. WEBB. (London: P. S. King and Son. 1911. Pp. 25. 2s. 6d.)

This brochure is a vigorous criticism of England's currency

policy in India since 1898, and a plea for the opening of mints in India to the free coinage of gold for "a gold currency as well as a gold standard." Mr. Webb shows that the Fowler Currency Committee of 1898 contemplated the coinage and extensive use of gold as money in India. He contends that the Government was diverted from carrying out the committee's recommendations, and led to establish a "state managed currency" through the influence of the London money market upon the Secretary of State for India. The Indian gold standard reserve and the Indian note reserve, which are kept so largely in London in the form of securities, he believes should be transformed into gold and returned to India. Thereafter Indian currency should be convertible into gold on demand in India, and the Government should entirely disassociate itself from any attempt at currency manipulation. An increased demand for gold coins on the part of India, Mr. Webb points out, would tend to lessen the depreciation of gold and thus aid in the solution of the world-wide problems arising from the present large production of the yellow metal.

Mr. Webb makes a plea, rather than a carefully balanced presentation. The Government's case is much stronger than one would infer from the reading of this paper; and the gold-exchange standard, even in the qualified form adopted by India, is more effective and more automatic (i. e., "less managed") in its operation, than Mr. Webb seems to appreciate.

E. W. K.

*An Example of Communal Currency.* By J. THEODORE HARRIS. Preface by SIDNEY WEBB. (London: P. S. King and Son. 1911. Pp. xiv, 62. 1s.)

In this brochure is given the story of an issue of non-interest-bearing circulating notes put out during the period from 1816 to 1837 by the island state of Guernsey. The experiment began with the project to raise £5000 for the erection of a market house and this was followed by other public undertakings financed in the same manner, until notes to the amount of £55,000 had been issued. The notes were never redeemable on demand but apparently were receivable for public dues and as received were to be destroyed at the rate of about 10 per cent a year. This cancellation was made possible by means of rental received for market stalls and the proceeds of a tax on liquors.

The author is unable to find evidence of an increase in prices in the island, which would indicate a burden corresponding to a tax, and evidently it is his opinion that in so far as the market house project was concerned the method of financing justified itself on grounds of economy and convenience. The apparent saving of interest was a real saving in that the noteholders were not conscious of any sacrifice in the state's behalf. For the subsequent and later issues, many of which were put out for nonproductive improvement, the same defense is not made. Redemption was neglected, public complaint was common; and the charge that opposition was fostered by the banking interests reminds the reader of more recent experiments in the use of circulating notes in lieu of taxes.

MURRAY S. WILDMAN.

*Northwestern University.*

*Simple Notions sur les Changes Etrangers.* By GABRIEL FAURE.  
(Paris: H. Dunod et E. Pinat. 1911. Pp. vi, 90. 2.50 fr.)

This little book is what its title indicates, a primer on foreign exchange. Its scope is limited, however, to a comparatively few gold standard countries, a consideration of the silver exchanges being omitted "in order not to complicate unduly the explanations" (p. 5, note). The author, who has had experience both as a bank employee and as a professor and examiner in the French Department of Technical Instruction, believes that the difficulties usually connected with the study of foreign exchange are to be attributed principally to the manner in which the subject is studied, and he purposes in this primer to present the subject "in a new form, elementary, and accessible to every one" (p. v).

M. Faure introduces the subject proper by describing the methods of computing and quoting the price of bullion in domestic trade, and then proceeding from the study of domestic trade in bullion, especially gold, he explains how gold might be used as a direct means of payment for goods purchased abroad. A French importer, for example, owing 1000 marks to a Hamburg merchant might purchase in Paris and ship to Hamburg sufficient gold to net the Hamburg merchant 1000 marks when presented for coinage at a German mint. The expenses of such a transaction are calculated and serve as a helpful method of approach to the subject of bills of exchange. There follow in order explanations

of such subjects as variations in the rate of exchange, the gold points, methods of quoting exchange, negotiation of bills of exchange, and arbitrage both simple and complex.

M. Faure's explanations consist principally in the working out of a large number of carefully chosen and simplified problems in practical foreign exchange. The book is an elementary arithmetic of the foreign exchanges rather than a book of principles. So well chosen, however, are the problems, and so accurately and clearly explained, that they afford a good insight into the superficial workings of the foreign exchange market, from the point of view of the business man.

E. W. KEMMERER.

*Cornell University.*

*Principles de la Politique Régulatrice des Changes.* By MAURICE ANSIAUX. Instituts Solvay. (Brussels: Misch et Thron. 1910. Pp. 259.)

The fundamental thesis of this book is that the exchanges *need regulation*. In its support the author devotes Part I to a criticism of the alleged classical dictum that the exchanges are self-regulative and that, consequently, governments and central banks may practice with reference to them the policy of *laissez faire, laissez passer*.

In substance his criticisms are: (1) that, granted the essential correctness of the classical theory, the normal readjustment between nations of prices and the quantity of money in circulation requires so much time for its operation that meanwhile bank reserves may be exhausted and their notes become inconvertible; (2) that the quantity theory which lay at the basis of their reasoning no longer is true if it ever was; and (3) that the classical theory itself is defective in that it fails to recognize as a contravention of natural law the regulation of the discount rates by central banks, which is the most effective means for the distribution of the precious metals between nations. M. Ansiaux claims that when the Bank of England, the Bank of France and the Imperial Bank of Germany change their rates of discount, they are not registering a change in the condition of the market as the thermometer registers the temperature, but that they are taking measures for the purpose of *influencing the market*—in other words, pursuing a policy for the purpose of *regulating* the exchanges.

In chapter 3, M. Ansiaux supports his thesis by considering the cases of countries with silver or paper standards. He analyses the movements of the exchanges in such cases and the mechanism by which they are effected and attempts to show that the fluctuations in the rates of exchange which the classical theory attributes to changes in the volume of the currency are frequently, perhaps usually, due to industrial, commercial or psychological causes, and that rarely, if ever, is its explanation of the way in which the exchanges are regulated correct.

Part II is devoted to a detailed discussion of the methods which are or may be employed for regulating the exchanges. In chapter 4 he treats manipulations of the discount rates, the most frequently used method, and in chapter 5 such other methods as the carrying of larger reserves by the banks of issue, the purchase and sale of foreign bills, and coöperation between central banks. In chapter 6 he discusses various methods of protecting a country's specie reserve, which are unusual in the sense that they are employed only by certain countries. In this connection he treats the *cours forcé*, practiced by Italy and Austria-Hungary; charging a premium on gold, occasionally practiced by the Bank of France; the placing of obstacles in the way of converting bank notes into gold, practiced in Russia and Germany; and in the way of the exportation of coin, practiced in Belgium and Switzerland.

Extra-monetary methods are treated in chapter 7 under the heads: the sale of government bonds and treasury notes on foreign markets; the exportation of stocks and bonds; syndicates of financial houses; the placing of obstacles in the way of the importation of foreign securities; the attraction of capital to domestic use, and the consequent prevention of its exportation; increase of the rate of interest on investment securities and the reduction of the premium on risks; reduction in the profits of foreigners; taxes on imports and stimulation of exports; attraction of foreign tourists; and the temporary emigration of laborers. The concluding chapter treats of methods applicable to a country with a depreciated standard.

Part II is by far the most valuable portion of the book. The analysis and criticism of the classical theory in Part I is thorough and fairly convincing, but it impresses one occasionally as hair-splitting. The authors criticised would doubtless have admitted



the correctness of many of M. Ansiaux's contentions, but would not have considered them as fundamentally out of harmony with their own views.

WM. A. SCOTT.

*University of Wisconsin.*

#### NEW BOOKS

ALBERTI, M. *Il costo della vita, i salari e le paghe a Trieste nell'ultimo quarto di secolo.* (Trieste: Tip. Nuova. 1911.)

BERARDI, D. *La moneta nei suoi rapporti quantitativi.* (Turin: Bocca. 1912. Pp. 258. 8 l.)  
Opposes the quantity theory of money.

CARLILE, W. W. *Monetary economics.* (New York: Longmans. 1912. Pp. xii, 307. \$3.)  
To be reviewed.

CASSOLA, C. *La formazione dei prezzi nel commercio.* (Palermo: Sandron. 1911. 3 l.)

CLANGEAUD, E. *Etude sur la monnaie de nickel.* (Poitiers: Blais & Roy. 1911.)

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DUFOURMANTELLE, M. *Agricultural credit.* Translated from the French by P. C. BIDDLE. (Philadelphia: Allen, Lane & Scott. 1912. Pp. 48.)

EYER, G. A. *The central bank problem.* (New York: Eyer & Co. 1912. Pp. 22.)

FARNSWORTH, F. E., compiler. *Proceedings of the thirty-seventh annual convention of the American Bankers' Association.* (New York: American Bankers' Association. 1911. Pp. 869.)  
Verbatim report of the meeting held at New Orleans, Nov. 20-24, 1911.

GARDNER, P. *The earliest coins of Greece proper.* (London: British Academy.)  
Reviewed at length in "Athenaeum," Dec. 23, 1911, p. 803.

GERLICH, H. *Die Preisbildung und Preisentwicklung für Vieh und Fleisch am Berliner Markte (für Schweine).* (Leipzig: Duncker & Humblot. 1911. 4 m.)

HARTRODT, G. *Die Diskontierung von Buchforderungen. Ein Handbuch für Theorie und Praxis.* (Berlin: Puttkammer & Mühlbrecht. 1912. 2.80 m.)

HULTMAN, I. *Die Centralnotenbanken Europas. Hauptzüge ihrer*

*Organisation und Wirksamkeit.* Translated into German by C. DEGEN. (Berlin: Bank Verlag. 1912. Pp. 200. 4.50 m.)

JANSSEN, A. E. *Les conventions monétaires.* (Paris: Alcan. 1911. 10 fr.)

LAYTON, W. T. *An introduction to the study of prices; with special reference to the history of the nineteenth century.* (New York: Macmillan. 1912. Pp. xi, 155. 90c.)

To be reviewed.

LEVY, R. G. *Banques d'émission et trésors publics.* (Paris: Hachette. 1911. Pp. 652.)

Gathers into one volume much that is scattered through the fifty publications of the National Monetary Commission at Washington.

LICHTENFELT, H. and KROMMELBEIN, F. *Ueber die Ernährung und deren Kosten bei deutschen Arbeitern. Massenverbrauch und Preisbewegung in der Schweiz.* Basler volkswirtschaftliche Arbeiten, No. 2. (Stuttgart: W. Kohlhammer. 1911. Pp. xx, 90, 225.)

The first essay is devoted to an analysis of working class dietaries; the second makes an intensive study of the yearly budgets of four families.

LICHTENTHAL, S. *Das Kredithaus. Entgegnung auf die Broschüre des Amtsgerichtsrats Otto Hein, "Abzahlgesetzes und Kredithäuser."* (Berlin: Maetizig & Co. 1912. Pp. 320. 5 m.)

LONGDILL, C. P. W. *Model rules and regulations for a perfect co-operative people's bank, ltd.* (London: Wilson & Horton. 1s.)

MARENCO, E. and others. *Il Banco di San Giorgio.* (Genoa: Donath. 1911. Pp. 560.)

MAURICE, J. *Numismatique constantinienne.* Volume II. (Paris: E. Leroux. Pp. 750. 25 fr.)

MORLOT, H. *Banque de l'Empire d'Allemagne (Reichsbank), son organisation, ses opérations.* (Paris: Rousseau. Pp. 341. 10 fr.)

MUHLEMAN, M. L. *Government supervision of banking throughout the world, with special reference to the laws governing the subject in the United States.* (New York: The Banking Law Journal Co. 1911. Pp. xlv, 60. \$1.)

PARKER, A. J. *Banking law of New York.* (Albany, N. Y.: The Banks Law Pub. Co. 1912.)

Contains chapter 2 of the Consolidated Laws and chapter 10 of the Laws of 1909, including all amendments of 1911.

POHL, H. *Deutsche Prisen gerichtbarkeit.* (Tübingen: Mohr. 1911. Pp. 233.)

PRATT, A. S. AND SONS. *Pratt's handbook for bank directors and officers.* (Washington: A. S. Pratt & Sons. 1912. Pp. 69. \$1.)

RIZZI, L. *Le privilège de l'émission des billets de banque en Italie.* (Paris: Librairie Générale. 5 fr.)

ROSENTHAL, H. S. *Building loan and savings associations; how to organize and successfully conduct them.* Third edition, revised and enlarged. (Cincinnati: American Bldg. Assoc. News Co. 1911. Pp. 350. \$3.50.)

RUHE, F. *Das Geldwesen Spaniens seit dem Jahre 1772.* (Strassburg: K. J. Trübner. 1912. Pp. xii, 304. 8 m.)

RUBY, J. *Die Badische Bank 1870-1908. Ein Beitrag zur Notenbankfrage.* (Karlsruhe: S. Braun. 1911. 3 m.)

SARMA, S. K. *Indian monetary problems.* (Madras: Law Printing House.)

SCHACT, H. *Die Bedeutung der Grossbanken für die Volkswirtschaft.* (Hanover: Helwing. 2 m.)

SCHULTE, F. *Die deutschen Bodenkreditinstitute 1900-1909.* Veröffentlichungen zur Statistik des Bodenkredits und verwandter Gebiete, No. 1. (Leipzig: Duncker & Humblot. 1911. Pp. v, 43. 5 m.)

SCHUTZ, F. *Der Zinsschein.* (Berlin: Brandus. 1912. Pp. iv, 674; 525. 18 m.)

SCOTT, W. A. *Money and banking.* New edition. (New York: Holt. \$2.)

USHER, E. B. *The greenback movement of 1875-1884 and Wisconsin's part in it.* (Milwaukee: The Author. 1911. Pp. 92. \$1.)

A useful compilation of extracts from contemporary newspapers and a record of events relating to the greenback party in Wisconsin. The appendix contains a reprint of *The Currency Question*, by President G. M. Steele of Lawrence University, a pamphlet in favor of paper currency.

VALLIER, F. *Les banques d'exportation à l'étranger et en France.* (Paris: Larose & Tenin. 1911. 5 fr.)

VERNET, A. *Etude théorique et pratique des comptes-courants et d'intérêts.* Vol. I, *Théorie des comptes-courants et d'intérêts.* Vol. II, *Des comptes-courants de banque.* (Paris: Alcan.)

WHITE, H. *White's money and banking.* Fourth edition, revised, and continued to the year 1911. (Boston: Ginn. Pp. xiv, 491. \$1.50.)

———. *Die Bankenquete 1908.* (Leipzig: Dieterichsche Verlagsbuchh. 1912. 2.50 m.)

*Statistik der Sparkassen in den im Reichsrat vertretenen Königreichen und Ländern für das Jahr 1908.* Oesterreichische Statistik No. 3. (Wien: C. Gerold's Sohn. 1911. Pp. xlix, 77. 3.90 m.)

## Public Finance, Taxation, and Tariff

*Manual of Ship Subsidies.* By EDWIN M. BACON. (Chicago: A. C. McClurg and Company. 1911. Pp. 99. \$50.)

This little volume is an attempt to give an impartial historical survey of subsidy legislation in various lands, one chapter being devoted to each country. Naturally, the most interesting chapters are those dealing with England, Germany, and the United States. It is entertaining to observe into what a panic the British government was thrown by the formation of Mr. Morgan's International Mercantile Marine Company, and by the fear that the Cunard line, like the other great English lines on the North Atlantic, would be absorbed by that "combine." The "Mauretania" and the "Lusitania" were gifts to the Cunard line in return for its promise to remain British. The new subsidy granted the Cunard was such as to repay the  $2\frac{3}{4}$  per cent loan advanced by the government for construction of the two liners.

In the chapter on the United States, subsidy legislation, and agitation therefor, are traced as far as the summer of 1911. The landmark in modern subsidy legislation here is the Postal Act of 1891. The present unremitting subsidy agitation began with President Roosevelt's December message in 1903, which recommended and secured the appointment of a Merchant Marine Commission, under the chairmanship of Senator Gallinger of New Hampshire. The majority of the commission reported a bill authorizing the expenditure of a maximum of \$2,665,000 per year to subsidize ten lines to Central and South America, Africa, and the Orient. This subsidy bill and others molded upon it were defeated or sidetracked in 1907, 1908, and 1911, in spite of the strong support of the administration in each case.

It would have been helpful if the author had given us a table showing the various national expenditures for subsidies, such as is given in Huldermann's *Subventionen der Auswärtigen Handelsflotten* (Hamburg, 1909). All in all it is a welcome little manual.

E. J. CLAPP.

*Les Régimes Douaniers.* By BERTRAND NOGARO and MARCEL MOYE. (Paris: Armand Colin. 1910. Pp. 320. 3.50 fr.)

This fiscal handbook is marked by a lucidity and sense of proportion distinctively French. The first part, by Professor

Nogaro, gives a comprehensive survey of the growth of modern tariff systems, characterizing briefly the policies of the more important countries and tracing negotiations up to 1910. The growing complexity and more subtle specialization of the tariff schedules of European states, designed to circumvent the most-favored-nation clause, is clearly brought out, as in the provision cited from the German conventional tariff for reduced duties on cattle, limited, however, to cattle of specified breeds, which have been raised at an elevation of three hundred metres above sea-level and spend one month in the year at a height of at least eight hundred metres; in other words, Swiss cattle are to be admitted but French cattle excluded, an expedient recalling the ingenuity of state legislatures in circumventing constitutional limitations on special legislation. The origin and character of the new French tariff are set forth; its framers are shown to profess to equalize the cost of production at home and abroad.

In the second part Professor Moyer reviews the customs administration of France, discussing exemptions, drawbacks and temporary admission provisions, methods of verifying invoices, the special privileges granted Corsica, Algeria and the colonies, and the complicated law of customs, surviving as it does in great part from the days of the farmers-general of the old régime.

The book is readable and reliable, affording an introduction to a wide field. Its value for reference purposes is increased by well-chosen appendices.

O. D. SKELTON.

*Queen's University, Kingston, Canada.*

*Grundfragen unserer Handelspolitik.* (München-Gladbach: Volkvereins-Verlag. 1911. Pp. 152. 1 m.)

This little book appears anonymously from the press of a house which makes a specialty of popular works on public questions. The first section (pp. 9-63) contains a sketch of German commercial policy from 1834 to the present; the second offers a number of objections, mostly captious and sophistical, to the policy of free trade; the third is sufficiently characterized by its title, *Der Schutz der nationalen Arbeit*; while the fourth and fifth consider respectively the home market and the foreign market. With characteristic logic it is argued that food stuffs and raw materials are increasingly difficult to obtain abroad, and that a foreign

market for German products is more and more difficult to find; consequently the policy of all-round protection should be continued and strengthened in order to insure German producers the entire home market. Much is also made of national political necessities. As a whole, the book is on the same intellectual level as the Chamberlain propaganda, or that of the Home Market Club. It is, however, of considerable interest as an example of the sort of thing which is evidently supposed to constitute a valid and effective argument before a popular German audience.

EDWARD VAN DYKE ROBINSON.

*University of Minnesota.*

*Die Besteuerung nach dem Ueberfluss (nach der Ersparnismöglichkeit). Ein Beitrag zur organischen Neuordnung der direkten Steuern in Preussen.* By H. WEISSENBORN. (Leipzig: Duncker und Humblot. 1911. Pp. 55. 1.20 m.)

When, in May 1909, the Prussian government placed a surtax upon the income tax, it was announced that this surtax was to be regarded as a temporary measure pending a thorough reorganization (*organische Neuordnung*) of the entire direct tax system. It was further promised that the reorganization plan would be presented to the *Landtag* within three years. Inasmuch as such promises are taken seriously in Prussia, not a few persons are engaged in offering suggestions for the accomplishment of the revision. In the little pamphlet before us the author, who is mayor of Halberstadt, presents a suggestion for the revision of the income tax law that is at once ambitious and apparently feasible. It is no less than an attempt to work out a practical application of the marginal utility theory of value.

As is well known, the Prussian income tax already recognizes, although to a slight degree only, by its graduated rates, that each unit of a large income has less utility than each unit of a smaller income and hence represents greater tax paying ability. It also recognizes, through its abatements for additional dependents in the taxpayer's family, that differences in the necessary expenditures establish differences in taxpaying ability. But both these provisions are rigid and go but little way. Mayor Weissenborn now proposes to follow the logic of these principles, not necessarily to the very end, but much farther than has ever been attempted.

He calls his proposed tax a tax on the *Ueberfluss*, that is, on the excess of income over the family's necessary expenditures. Rejecting, as likely not to lead to the end desired, the suggestion of Dr. Bendixen, presented and discussed in the "Hamburger Correspondent," that the amount of the saving from income would indicate the amount of the taxable excess, he suggests that a direct attempt be made to measure the "excess" by more or less external evidence. The excess for this purpose is defined as that part of every income over 10,500 m., over and above certain expenses that are to be regarded as tax-free. The amount of the tax-free expenses, which is to vary with the size of the income, is to be determined mainly by the number of dependents in the family of the taxpayer. Only the wife and children of the taxpayer, his own and his wife's relatives in the direct line, his own and his wife's brothers and sisters and their children, are to be counted as dependents; and then only when he expends for the support of any one, or any group counted as one, as much as seven per cent of his income. Incomes less than 10,500 m. are assumed to afford no surplus. It will be seen that this is not a tax on what is actually saved, but upon what theoretically, at least, might be saved. Hence the tax is also called a tax on the possible saving (*Ersparnismöglichkeit*). The following table presents the scheme more clearly than could be done with many words.

The following would be considered the tax-free expenses:

For incomes in the grades from		With the following members in the family including the taxpayer.										
		In per cent. of the income subject to the income tax.										
		1	2	3	4	5	6	7	8	9	10	11
Marks	Marks	Per Cent	Per Cent.	Per Cent.	Per Cent.	Per Cent	Per Cent.	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent
10,500 - -	20,500	80	80	90	95	100	- -	- -	- -	- -	- -	- -
20,500 - -	30,500	50	70	80	85	90	95	100	- -	- -	- -	- -
30,500 - -	50,000	45	60	73	80	85	90	95	100	- -	- -	- -
50,000 - -	80,000	40	55	64	70	75	80	85	90	95	100	- -
80,000 - -	120,000	35	50	56	62	68	75	80	85	90	95	100
120,000 - -	250,000	28	40	50	55	60	64	68	72	75	78	80
250,000 - -	500,000	22	32	40	43	46	49	52	54	56	58	60
500,000 - -	800,000	15	25	30	33	36	39	42	44	46	48	50
800,000 - -	1,500,000	10	20	25	28	30	32	34	36	38	39	40

For higher incomes the tax-free expenditures would be: for a single person 200,000 m., for two persons 350,000 m. and for more 500,000 m. The tax is to be  $1\frac{1}{2}$  per cent of the excess and is to be in addition to the present income tax. The average income

for three years is to be taken as the base. This tax he estimates will yield upwards of 18,250,000 m. But this is not enough to replace the surtax that is now being collected which amounts to 32,600,000 m.

This interesting proposal is supported by many arguments and illustrations that make the pamphlet seem very convincing.

CARL C. PLEHN.

*University of California.*

#### NEW BOOKS

- ANDLER, M. *Die Städteschulden in Frankreich und Preussen und ihre volkswirtschaftliche Bedeutung.* Tübinger staatswissenschaftliche Abhandlungen, No. 22. (Stuttgart: Enke. 1911. 6.80 m.)
- BAROZZI, P. *La municipalizzazione dei pubblici seroizi, con tabelle dimostrative degli utili o perdite nei vari servizi municipalizzati in 90 comuni d'Italia.* (Novara: G. Cantone. 1911. Pp. 142. 3 l.)
- BEATY, C. *A practical guide to the death duties and to the preparation of death duties accounts.* Third edition, revised and enlarged. (London: Effingham Wilson. 1911. Pp. xii, 214. 4s.)
- DE BRUN, A. *La contabilità dello Stato. Manuale di storia, letteratura, dottrina e pratica della gestione e del movimento del pubblico denaro.* (1911. Pp. 1188. 12 l.)
- CANNAN, E. *The history of local rates in England in relation to the proper distribution of the burden of taxation.* Second edition, enlarged. (London: King. 1912. Pp. xiv, 209. 3s. 6d.)  
To be reviewed.
- DI CARLO, C. R. *Una prossima rivoluzione di tutte le imposte in tutti gli Stati.* (Torino. 1911.)
- DASSLER, C. F. W. *A treatise on the law of taxation, including tax titles and special assessments in the state of Kansas.* (Kansas City: Vernon Law Book Co. 1911. Pp. xxxi, 614.)
- VON DOMBOIS, A. *Der Kursstand der deutschen Staatsanleihen mit einem Rückblick auf die Entwicklung des Schuldenwesens in Preussen und im Reiche.* (Hannover: Helwing. 1911. Pp. 84. 2 m.)
- GAUDART, E. *Le régime financier des colonies françaises. Décret du 20 novembre 1882. Texte mis à jour et annoté des circulaires du ministère des colonies et du ministère des finances.* (Paris: Berger-Levrault. Pp. xxxi, 387. 3.50 fr.)
- GEORGS, N. *Ueber Getreidezölle, Identitätsnachweis, Einfuhrscheine und Teuerung.* (Dessau: C. Dünnhaupt. 1911. Pp. 38. 0.50 m.)
- GERLACH, O. *Die Reichsfinanzreform von 1909, ihr finanzieller Er-*



*folg und ihre Belastungen.* (Berlin: Vereinig. der Steuer- und Wirtschaftsreformer. 1911. Pp. 47. 0.75 m.)

GRAZIANI, A. *Instituzioni di scienza delle finanze.* (Milan: Fratelli Bocca. 1911. Pp. xvii, 785.)

In this second edition, printed after a lapse of fourteen years, is seen the influence of recent change in theory.

GREEN, J. L. *Agriculture and tariff reform.* (London: Rural World Pub. Co. 1s.)

GUILHOT, L. H. *Manuel de droit fiscal, droits d'enregistrement, de timbre, d'hypothèques, droits de succession, taxes dues par les sociétés.* Third edition, revised and brought down to date. (Paris: Marche et Godde. 10 fr.)

GUTHRIE, C. B. *Tariff economics as applied to the tariff index.* (St. Louis: C. P. Curran Printing Co. 1912. Pp. 7.)

HABELSBERGER, W. *Das ungarische und das oesterreichische Personaleinkommensteuergesetz.* (Graz: Leuschner & Lubensky. 1911. Pp. vii, 96. 3.50 m.)

HECKEL, M. *Lehrbuch der Finanzwissenschaft.* Two volumes. (Leipzig: Hirschfeld. 1911. Pp. xvii, 540. 12 m.)

HEIDBORN, A. *Les finances Ottomanes.* (Vienna: C. W. Stern. 1912. Pp. 296.)

HERRMANN, A. *Hauseigentümer und Steuerreform in Elsass-Lothringen.* (Strassburg: K. J. Trübner. 1911. Pp. v, 80. 0.75 m.)

HIRSCH, M. *Land values taxation in practice.* (London: Land Values Pub. Dept. 1912.)

JEZE, G. *Cours élémentaire de science, des finances et de législation financière française.* Fifth edition, revised and enlarged. (Paris: Giard & Brière. 12.50 fr.)

KOCH, E. *Die städtische Wasserleitung und Abwässerbeseitigung volkswirtschaftlich sowie finanzpolitisch beleuchtet.* (Jena: Fischer. 1911. Pp. x, 122. 3.50 m.)

LANDAU, H. *Das Budgetrecht in Russland.* (Berlin: O. Häring. 1912. Pp. ix, 298. 8 m.)

DE LANNOY, A. *Encyclopédie de la finance ou quinze années de vie financière, de 1896 à 1910.* (Bruxelles: Imprimerie de l'Actualité Financière. 1911. Pp. 349. 10 fr.)

LAUFER, F. *Die deutschen Einkommensteuertarife unter Berücksichtigung der englischen income tax.* (Jena: Fischer. 1911. Pp. vii, 88. 2.50 m.)

LAWSON, W. R. *Modern wars and war taxes.* (London: Blackwood. Pp. 454. 6s.)

LEUCKART VON WEISSDORF, H. *Entwicklung und Ergebnisse der*

*Wertzuwachsbesteuerung im Königreich Sachsen.* (Leipzig: Röder & Schunke. 1911.)

LISSNER, J. *Zur Wertzollfrage.* (Leipzig: A. Deichert. 1911. Pp. 108. 2.50 m.)

To be reviewed.

LOBE, E. *Das deutsche Zollstrafrecht.* Fourth edition. (Tübingen: J. C. B. Mohr. 1912. Pp. viii, 351. 8.50 m.)

MOYE, M. *Précis élémentaire de législation financière à l'usage des étudiants des facultés de droit.* Fourth edition, revised and brought down to date. (Paris: Larose & Tenin. 6.75 fr.)

MURRAY, A. and CARTER, R. N. *Guide to income-tax practice.* Sixth edition. (London: Gee & Co. 1911. Pp. xxix, 545. 15s.)

Controversial matter is left untouched. The super-tax is fully examined.

NIELSEN, A. *Die Entstehung der deutschen Kameralwissenschaft im 17. Jahrhundert.* (Jena: Fischer. 1911. 3.50 m.)

O'REILLY, T. E. *The imperial tariff for 1912.* (London: King. 1912. 4s. 6d.)

Contains laws and regulations of the importing and warehousing as well as of export of all kinds of merchandise.

OTT, F. *Die Steuer vom Grunderwerb.* (Tübingen: J. C. B. Mohr. 1911. Pp. ix, 282. 7 m.)

PERRENS, F. *La revision douanière du 30 mars 1910.* (Bordeaux: Imprimerie Moderne. 1911.)

PRATO, G. *Le dogane interne nel secolo XX. Il mercantilismo municipale.* (Turin: Soc. Tip. Ed. Nazionale. 1911. Pp. 58. 2 l.)

REINHARD, O. *Die Grundentlastung in Württemberg.* (Berlin: Deutscherverein f. Versicherungswis. Pp. viii, 124. 3.60 m.)

SCHUBART, W. *Die wirtschaftliche Selbstgenügsamkeit Joseph Chamberlains. Ein historischer Entwicklungsversuch.* (Berlin: L. Simion. 1912. Pp. 364. 5 m.)

SCHWARZ, O. *Die Kurse der deutschen Reichs- und Staatsanleihen. Die Ursachen ihres Niederganges und Vorschläge zu ihrer Hebung.* (Berlin: W. Rothschild. 1912. Pp. 55. 3 m.)

SOHLICH, K. *Lehrbuch der Volkswirtschaftslehre, einschliesslich der Hauptpunkte der Finanzpolitik.* (Strelitz: M. Hittenkofer. 1912. Pp. iv, 46. 2.50.)

STIEDA, W. *Die Besteuerung des Tabaks in Ansbach-Bayreuth und Bamberg-Würzburg im 18. Jahrhundert.* Abhandlungen der philologisch-historischen Gesellschaft der Wissenschaften, Vol. XXIX, No. 4. (Leipzig: Teubner. 1911. Pp. 112. 3.60 m.)

STOURM, R. *Systèmes généraux d'impôts*. Third edition, revised and brought down to date. (Paris: Alcan. Pp. viii, 439. 10 fr.)

STRAZZULLA, G. *Il sistema tributario delle camere di commercio ed industria in Italia*. (Messine: Tip. Ditta d'Amico. Pp. 33.)

STRUTZ, G. *Die Neuordnung der direkten Staatssteuern in Preussen*. (Berlin: Heymann. 1912. Pp. 252. 5 m.)

TILLE, A. *Die Steuerbelastung der Industrie in Reich, Bundesstaat und Gemeinde*. Südwestdeutsche Flugschriften, No. 15. (Saarbrücken: C. Schmidtke. 1911. Pp. 82. 0.50 m.)

TIVARONI, I. *Compendio di scienza delle finanze*. Second edition. (Bari: Laterza. 1911. Pp. 286. 3.50 l.)

VITA, A. *Le tasse nella dottrina scientifica*. (Milano: Soc. Ed. Libreria. 1911. Pp. xi, 250. 5 l.)

Attempts to bring legal and administrative considerations in each class of fees into relation with economic theory.

VOGEL, K. *Geschichte des Zollwesens der Stadt Freiburg i. Bd. bis zum Ende des 16. Jahrhunderts*. (Berlin: W. Rothschild. 1911. 4 m.)

VOIGT, A. *Mathematische Theorie des Tarifwesens*. (Jena: Fischer. 1912. Pp. ix, 73. 2 m.)

To be reviewed.

WAGNER, N. *Taxation; absolutely just and equitable taxation on the plan of utility or reasonable annual average rental value*. (Denver: Clark Quick-Printing Co. 1911. Pp. 24.)

WALDTHAUSEN, F. *Der Bremer Vermögensschoss im Rahmen der direkten Besteuerung Bremens im XIX Jahrhundert*. Münchener volkswirtschaftliche Studien, No. 111. (Stuttgart: Cotta. 1911.)

WILSON, H. *How to keep down the rates*. (London: King. 1911. 1s. 6d.)

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*The descent and distribution of property of intestates, under the laws of Michigan, with leading features of the inheritance tax law. Compiled to January 1, 1912.* (Detroit: Detroit Trust Co. 1912. Pp. 54.)

*Fiscal relations of Great Britain and Ireland. Papers read at the congress of the Royal Economic Society, January 10, 1912.* (London: Royal Economic Society. 1912. Pp. 99. 1s. 6d.)

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*Reciprocity with Canada.* Publications of the Western Economic Society, Proceedings, Vol. I, Part 1. (Chicago: University of Chicago Press. 1911. Pp. 137.)

*The revenue law of Louisiana.* (New Orleans: F. F. Hansell & Bro. 1911. Pp. 274. \$3.)

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*La convention de Bruxelles et les importations de sucre raffiné étranger en France.* (Nantes: Biroché. 1911. Pp. 41.)

*Petit annuaire du contribuable, publié par la fédération nationale pour la défense des contribuables contre le projet d'impôt sur le revenu, 2<sup>e</sup> année 1912.* (Paris: Rivière. 1912. 1 fr.)

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*Der deutsche Zolllarif vom 25. 12. 1902 mit den auf den Handelsverträgen beruhenden Bestimmungen.* (Berlin: Mittler & Sohn. 1911. Pp. viii, 169. 2.50 m.)

## Population and Migration

*Bergarbeiterbevölkerung und Fruchtbarkeit. Eine Studie der Bevölkerungsbewegung der deutschen Bergarbeiterbevölkerung.* By HANNES PYSZKA. (Munich: Druck und Verlag von G. Birk. 1911. Pp. 36.)

A study of the vital statistics of the miners and smelters of Germany: the mining and industrial communities of the Empire are divided into four groups, those in which more than half of the population is engaged in mining and industrial occupations, those in which from 30 per cent to 50 per cent are so engaged, a third group with from 20 per cent to 30 per cent in these occupations, and a fourth group made up of the localities in which less than 20 per cent are thus employed.

In Prussia the birth-rate among miners and smelters had increased from 45.2 per thousand in 1882 to 53.4 in 1907, while the birth-rate for the entire population of Prussia had declined from 39.1 per thousand in 1882 to 34.0 in 1907. In those districts in which the miners form the largest proportion of the population the birth-rate during this period was 52.9, while in the districts in which the mining industry did not occupy as large a proportion of the population the birth-rate was but 38.5. It seems to be the highest in those sections in which the largest proportion of Poles is employed. The legitimate birth-rate is considerably higher among the miners than for the rest of the population, while the illegitimate birth-rate is about the same for both groups.

As a result of immigration the proportion in the middle-age groups among the miners is much higher than is the proportion for the total population. The marriage-rate is about the same for the miners as for the rest of the population, but the age at which the marriages occur is considerably younger for the miners. There was not much difference between the death-rates of the

miners and the total population. In adult years the death-rate for miners was somewhat higher, but the infantile mortality among this group was low. This may be explained by the fact that the mothers find little employment in factories, and, being engaged in housework, are enabled to give more of their time to the care of their children. The natural increase of the population or the difference between the birth and death-rate is considerably higher for the mining population than for the country as a whole.

The monograph is a good piece of scientific work. Half of the volume is devoted to the statistical tables upon which the analysis rests. It is but natural that the birth-rate should be high among a population of low economic conditions with early marriages, but it is surprising that the death-rate in this hazardous occupation should have been so low.

W. B. BAILEY.

*Yale University.*

#### NEW BOOKS

BRUCCOLERI, G. *L'emigrazione siciliana, caratteri ed effetti secondo le più recenti inchieste.* (Rome: coop. tip. Manuzio. 1911. Pp. 27.)

CAMBONI, L. *Della influenza della mortalità infantile sulla mortalità generale.* (Sassari: Gallizzi. 1911. Pp. 160. 4 l.)

DAVENPORT, C. B. *Race improvement through eugenics.* (New York: Holt. 1911.)

GUAZZONE, A. *L'emigrazione italiana e l'Argentina: tesi di laurea.* (Torino: G. U. Cassone. 1911. Pp. 24.)

HURD, J. B. *Industrial mobility, a peaceful and powerful weapon to settle our economic problems and promote friendly relations among men.* (Washington: J. B. Hurd. 1912. Pp. 62.)

MACKENZIE, L. *Health and disease.* Home university library. (London: Williams & Norgate. 1s.)

PAYNE, E. G. *An experiment in alien labor.* (Chicago: University of Chicago. 1912. Pp. 72. 75c.)  
To be reviewed.

RUSSO, G. *L'émigration et ses effets dans le midi de l'Italie.* (Paris: Rivière. 1912. Pp. 225. 3.50 fr.)  
To be reviewed.

SCARSELLI, B. *Il problema delle classi medie.* (Milano: Soc. Ed. Libreria. 1911. Pp. viii, 224. 6 l.)

UMLAUFT, F. *Kleines statistisches Taschenbuch über alle Länder der Erde.* (Wein: A. Hartleben. 1912. Pp. iv, 106. 1.50 m.)

——— *Manual of the international list of causes of death.* United States Census Bureau. (Washington: Government Printing Office. 1911. Pp. 297.)

*Résultats statistiques du recensement de la population effectué le 4 mars 1906.* Publication du ministère du travail. (Paris: Berger-Levrault. 1911. Pp. 236. 5 fr.)

*Il problema politico dell'emigrazione e la questione della cittadinanza.* (Rome: coop. tip. Popolo romano. 1911. Pp. ix, 246.)

*Résultats statistiques du recensement général de la population effectué le 4 mars 1906.* (Paris: Berger-Levrault. Pp. 221. 4.50 fr.)

*Die eidgenössische Volkszählung vom 1.12.1910.* (Bern: A. Francke. 1911. Pp. 30. 1 m.)

### Social Problems and Reforms

*The Department Store.* (Boston: Vocation Bureau of Boston. 1912. Pp. 97. \$0.50.)

This is the eighth volume in a series of publications brought out by the Vocation Bureau during the past two years. The others are *The Machinist*, *Banking*, *The Baker*, *Confectionery Manufacture*, *The Architect*, *The Landscape Architect*, and *The Grocer*. Though it does not differ materially in scope or method from the earlier studies, *The Department Store* is more extensive and more carefully prepared. Successive chapters describe the origin and growth of this type of mercantile institution and the organization of its activities such as merchandising and buying, superintending and selling, office and advertising departments. Consideration is also given to welfare work and questions of pay and promotion. There is a brief bibliography.

Like the rest in the series, this book is designed primarily for the use of teachers and others in counseling parents and boys in regard to the choice of a vocation. For this purpose it is desirable to know what inducements the industry or occupation has to offer to boys, and on the other hand what demands it will make on them in the matter of character, habits, and training. The number of positions, the lines of promotion, rates of pay as beginners and after experience, etc., are carefully ascertained and conservatively stated. The reasons for failure to advance are inquired into and

explained. In most cases statistics are gathered from authoritative sources, to indicate the general trend of the business as to rate of growth and probable future development.

The drawbacks in each case are explained, such as the substitution of machinery for skilled handicraft, of women and children for men, and the lack of opportunities for promotion from lower to higher positions.

Perhaps the most important phase of the work is the massing of expert opinion, gotten at first hand from those who have been long engaged in the business, whether as employers or employees, in regard to the aptitudes and training necessary for success in the occupations considered. This helps to guard against the great misfortune of misfits which are so numerous in every line of activity and which are so hard to remedy in later life.

C. W. D.

#### NEW BOOKS

BOSANQUET, B., editor. *Social conditions in provincial towns*. First series. (London: Macmillan. 1912. Pp. 86. 1s.)

BYINGTON, M. F. *What social workers should know about their own communities*. (New York: Charities Publication Committee. 1911. 5c.)

FEIG, J. and MEWES, W. *Unsere Wohnungsproduktion und ihre Regelung*. (Göttingen: Vandenhoeck & Ruprecht. 1911. 2 m.)

FULLER, S. J. *The Gothenburg system. Law and regulations governing the manufacture and sale of alcoholic beverages in Gothenburg, Sweden*. Special consular reports, No. 49. (Washington: Dept. Commerce & Labor. 1911. Pp. 48. 5c.)

KIRK, W., editor. *A modern city. The activities of Providence, R. I.* (Chicago: University of Chicago. 1911. Pp. 374. \$2.50.)

Chapters by experts on the city's geography, population, industry, labor, government, finance, education, art, philanthropy, and religion.

LUCAS, C. *La mutualité et les retraites ouvrières et paysannes*. (Paris: Giard & Brière. 1911. 3.50.)

MARCHAND, R. *Les grands problèmes de la politique intérieure russe. La question agraire. La question polonaise. La question finlandaise. La défense nationale. La situation politique*. (Paris: Alcan. Pp. 324. 3.50 fr.)

MEHRTENS, J. H. *Wohnkunst für Jedermann. Ein Beitrag zur Wohnungshygiene und zur Lösung der sozialen Frage*. (Leipzig: D. Wigand. 1912. Pp. 159. 2 m.)

PABST, F. *Hypothekenbanken und Wohnungsfrage*. (Jena: Fischer. 1911. 1.25 m.)

PABST, F. *Zweite Hypothek für Wohnhäuser*. (Berlin: Puttkammer & Mühlbrecht. 1912. 1 m.)

PREUSS, SEYDEL, MICHAELIS. *Fragen der kommunalen Socialpolitik in Gross-Berlin*. (Jena: Fischer. 1911. 0.90 m.)

SALUN, G. *Les retraites ouvrières et paysannes*. (Paris: Berger-Levrault. 1911. 7.50 fr.)

PERIS, K. *Die Einkommen-Entwicklung in Preussen seit 1896 nebst Kritik an Material und Methoden*. (Berlin: Puttkammer und Mühlbrecht. 1911. Pp. 236. 4s. 6d.)

A systematic grouping of incomes by growth rather than absolute magnitude.

WETZLAR, F. *Die Wohnungsfrage der minderbemittelten Klassen in den grössten Städten Deutschlands*. (Munich: Buchh. Nationalverein. 1912. Pp. 20. 0.20 m.)

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*A glance at some European and American vocational schools for children from twelve to sixteen years of age*. (Hartford, Conn.: Consumers' League of Connecticut. 1911. Pp. 64. 50c.)

*List of works relating to criminology*. (New York: Public Library. 1911. Pp. 362.)

The most exhaustive analytical bibliography of books yet published; includes state and municipal documents and foreign countries. The list on prison labor covers six pages.

*Welfare work for employes; scientific management; workmen's compensation; industrial combinations; uniform state legislation*. Proceedings of the eleventh annual meeting. (New York: National Civic Federation. \$1.)

*Proceedings of the imperial conference, 1911*. (London: King. 3s. 6d.)

*Bericht über den 2. deutschen Wohnungskongress Leipzig 11-14.6.1911*. (Göttingen: Vandenhoeck & Ruprecht. 1912. Pp. viii, 314. 4 m.)

*Die Bau- und Bodenpolitik der Stadt Aachen. Denkschrift des Oberbürgermeisters der Stadt Aachen an die Stadtverordnetenversammlung*. (Aachen. 1911. Pp. 72.)

Section I deals with the development of the Aachen housing ordinances during the past century. Section II deals with building plans and cost of streets. Section III shows increase of municipal land ownership, which now comprises 1,709.98 hectares (including streets and forest) or 33.7 per cent of the entire city. Between 1898 and 1908 the city bought 110.56 hectares for 2,364,200 m. and sold 27.77 hectares for 4,716,800 m. There was a net profit



of 164,394 m. on the land sold. Other municipal land was leased in *Erbbaurecht*. The city (Section IV) is still unconvinced that municipal land purchase with sale under restriction will materially improve housing conditions and recognizes that the *Erbbaurecht* has only limited application. J. F.

### Insurance and Pensions

*Accident Prevention and Relief. An Investigation of the Subject in Europe with Special Attention to England and Germany, together with Recommendations for Action in the United States of America.* By F. C. SCHWEDTMANN and J. A. EMEY. (New York: National Association of Manufacturers. 1911. Pp. xxxvi, 481. \$15.)

The authors, members of a committee of the National Association of Manufacturers, spent four months in Europe studying accident compensation. The value of their book is that it gives the employer's point of view on a disputed subject, and in an unusually graphic way portrays the British and German schemes.

In connection with the elaborate description of the German system, containing in general little that is new, are printed translations of letters from many leading German employers and officers of the insurance system. The invariably serene temper of these letters is in impressive contrast to the temper of the pamphlet, recently widely circulated, by the retired president of the Insurance "Senat," and must be reassuring, as few things else can be, to those of our employers whose ideas regarding accident indemnity have hitherto developed chiefly in relation to the proposals of labor leaders and of social reformers. The chapters on the comparative hazard of the farm and of manufacturing (finding agricultural accidents unexpectedly frequent), on prevention of accidents, and on the cost of insurance in different industries, contain matter hitherto not so conveniently accessible in English—unless the extraordinary price of the volume be reckoned an obstacle to its accessibility! The authors have not been perplexed in deciding on the comparative merits of the German and English systems: the latter system after detailed history and description, is characterized as a case of "charitable intervention" (p. 251). In the German system are reflected justice, humanity and a clear national policy.

"While many details of its administration are neither applicable nor desirable, the chief principles of the German system of

accident compensation may be adopted in our respective states by voluntary action or through permissive legislation and in a large degree compelled by statute" (p. 261). Not individual liability but insurance is necessary; and with insurance management there must be an intimate relation of shop management and the supervision of accident prevention. The employer's charge should conform to his accident record. Divergence from the form but not quite from the working of the German system lies in the recommendation that the employees should shoulder a minor part at least of the burden—this in the interest of justice, economy (the discouragement of fraudulent claims), the reduction of risk (the prevention of accidents), and the protection of the American character. The insurance system must apply to all employments and our states must enact substantially uniform laws. To get good laws will take time (no active policy is explicitly recommended.) Meanwhile employers should be encouraged to the adoption of voluntary schemes by laws that abolish the legal defense of employers who do not adopt such schemes.

The generally liberal tone of the book deserves commendation. The only important recommendation to which more radical students may take exception is that employees should pay a premium; and that touches a question, it must be confessed, which has as yet no one answer. Since the book has appeared, the plan for accident and old-age insurance of the United States Brewers' Association has been completed: representatives of the International Union of Brewery Workmen helped to prepare it, and it provides for a substantial contribution from the workmen.

The colored diagrams illustrating the results of the laws of Germany and England are so abundant and so simple that they will be welcomed by persons having use for special aids to instruction if among such persons are any who can afford to buy the book. An index, most elaborate for a brief text so plentifully interspersed with cuts, covers more than a tenth of the volume.

ROBERT F. FOERSTER.

*Harvard University.*

*La Nationalisation des Assurances.* By ETIENNE BUISSON.  
Les Documents du Socialisme, III. (Paris: Marcel Rivière et Cie. 1911. Pp. 73. 0.75 fr.)

This monograph discusses the important subject of a state

monopoly of insurance with particular reference to the attitude of socialists. Such a scheme may be supported either as a fiscal policy or as a social policy, depending upon an individual's conception of what constitutes a public service. The author holds that under the insurance contract the insured is at a great advantage in comparison with the insurer.

The actual transfer of the insurance business to the state might be made upon the basis of the net annual revenue of the companies or a verified market value of the business. Insurance is fundamentally based upon the idea of mutuality and, therefore, is by its very nature suited to become a state monopoly. A state monopoly would, it is urged, make the benefits of insurance possible to more people than at present and probably would secure its benefits at a less social cost than under the present system.

Other chapters discuss the ordinary objections to such a scheme, as, for example, the problems centering about the subject of re-insurance and the high purchase price, which might place a strain upon the national budget. Then, too, the large amount of a reserve required to support the business might introduce difficult problems of financiering for the state. A very practical and serious objection would be made in the case of the mutual companies, since, in many cases, they are organized and administered without any idea of profit and also at such a cost that it would seem to be difficult for the state to duplicate this cost in its experience in conducting the business.

The monograph is unusually well written and should be read by all who are interested in the subject of state insurance.

W. F. GEPHART.

*Ohio State University.*

#### NEW BOOKS

BROGGI, H. *Versicherungsmathematik*. (Leipzig: B. G. Teubner. 1911. Pp. viii, 360. 7 m.)

CARR, GARNETT, TAYLOR. *National insurance*. (London: Macmillan. 1912. Pp. xxx, 504. 6s.)

To be reviewed.

CHASE, P. *Labor, law and justice. A treatise on workmen's compensation*. (Stamford, Conn.: Bulletin Pub. Co. 1912. Pp. 132. 50c.)

An essay in which the author, basing his argument upon equal right and equal justice to all, endeavors to find an adequate solu-

tion without regard to existing laws. Payments for injuries are to be made by the federal government under a system of national insurance.

- CLARKE, O. *The national insurance act, 1911.* (London: Butterworth. 1911. Pp. 490. 12s. 6d.)
- CRESCI, C. *Note sull'assicurazione di stato in Italia.* (Milano: E. Zerboni. 1911. Pp. 34.)
- DAWSON, W. H. *Social insurance in Germany, 1883-1911. Its history, operation, results, and a comparison with the national insurance act, 1911.* (London: Unwin.)
- DOERNBERGER, K. *Die Besonderheiten der Seeversicherung.* (Nuremberg: U. E. Sebal. 1911. Pp. iv, 62. 1.20 m.)
- FOLEY, F. S. *The national insurance act, 1911, as it affects employers and workmen.* (London: Sherratt & Hughes. Pp. 62. 5s.)
- FRASER, J. A. *The national insurance act, 1911, with introduction and notes.* (London: Waterlow. Pp. 228. 5s.)
- GOBBI, U. *Il monopolio dell'assicurazione sulla vita.* (Rome: Soc. ed. libraria.)
- GROBLEBEN, H. *Wegweiser durch die Privat-Angestellten-Versicherung. In Frage und Antwort gemeinverständlich zusammengestellt nebst einer Uebersichtstabelle.* (Dresden: C. Heinrich. 1912. Pp. 80. 0.90 m.)
- HAGE, M. D. *Le problème de l'assurance obligatoire contre l'invalidité et la vieillesse.* (Paris: Rivière. 4 fr.)
- LOCH, C. S. *The national insurance bill. A paper approved by the council of the Charity Organisation Society.* (London. 1911. Pp. 49. 4d.)
- MALNOURY, L. *La mutualité agricole et l'assurance contre l'incendie.* (Paris: Rivière. Pp. 320. 3.50 fr.)
- MANES, A. *Die Krankenversicherung. Die Reichsversicherungsordnung, Vol. II.* (Leipzig: G. J. Göschen. 1912. Pp. 310. 4.80 m.)
- MASSMANN, F. *Praktischer Wegweiser durch die neue Reichsversicherungsordnung vom 19.7.1911.* (Dortmund: F. W. Ruhfus. 1912. Pp. 52. 0.75.)
- MOLENHAEUER, P. *Das Versicherungswesen. Allgemeine Versicherungslehre, I.* (Leipzig: G. J. Göschen. 1911. Pp. 158. 0.80 m.)
- Contains an unusual amount of well arranged information and instruction in small compass. Considers economic and social aspects, management and organization of companies, and gives a simple explanation of the method of calculating the premium, reserve, and dividends.

MONEY, L. G. C. *Insurance versus poverty*. Introduction by MR. LLOYD-GEORGE. (London: Methuen.)

MORAN, C. G. *The alphabet of the national insurance act, 1911*. (London: Methuen. Pp. vi, 164. 1s.)

NOETEL, H. *Landwirtschaftliche Unfallversicherung*. (Berlin: P. Parey. 1911. 4.80 m.)

RICHARDS, G. *Insurance law*. Third edition. (New York: Banks Law Pub. Co.)

SCHULZ. *Die Unfallversicherung*. Die Reichsversicherungsordnung, Vol. III. (Leipzig: G. J. Göschen. 1912. Pp. 439. 6 m.)

SMITH, T. *Everybody's guide to the national insurance act, 1911*. (London: King. 1912. Pp. 312. 1s.)

SQUIER, L. W. *Old age dependency in the United States*. (New York: Macmillan. 1912. \$1.50.)

STIER-SOMLO, F. *Studien zum sozialen Recht, insbesondere zur Reichsversicherungsordnung*. (Mannheim: J. Bensheimer. 1912. Pp. vii, 316. 7 m.)

VERMONT, H. *Le problème de la vieillesse*. (Paris: G. Roustan. 1911. Pp. 119. 1.50 fr.)

ZWIERZINA, R. *Die geschichtliche Entwicklung des Pensionssystems der österreichischen Staatsbediensteten*. (Wien: Manz. 1912. Pp. 79. 1 m.)

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*Fire insurance laws, taxes and fees; containing a digest of the statutory requirements in the United States and Canada*. Revised to September 1, 1911. (New York; Chicago: The Spectator Co. 1911. Pp. 464. \$5.)

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*Lectures on fire insurance*. (Boston: Insurance Library Association of Boston. 1912. Pp. 300. \$3.50.)

Given before evening classes. Also contains questions covering the subject matter, bibliographies, and comprehensive index.

*National insurance act. A full explanatory digest by "an old parliamentary hand."* (London: W. Macdonald. Pp. viii, 72. 6d.)

*National insurance bill. Further replies to letters addressed to the chancellor of the exchequer, with a statement of the principal amendments which it is proposed to embody in the bill*. (London: King. 3d.)

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*Report of a committee to the Metal Trades Association at its meeting, April 12-13, 1911, on employers' liability insurance; and a proposed law*. (Moline, Ill.: William Butterworth. Pp. 112.)

## Socialism and Co-operative Enterprises

*American Socialism of the Present Day.* By JESSIE WALLACE HUGHAN. With an introduction by JOHN SPARGO. (New York: John Lane Company. 1911. Pp. x, 265; bibliography, pp. 257-265. \$1.25.)

A needed and timely piece of work has, in this book, been admirably done. It is far more than a mere narration of the history of the various socialistic groups and parties in the United States; it is more too than the dessicated outline of the tenets and crochets of different individuals and parties one might suppose it to be from the title. It is, in fact, a scholarly, sympathetic, critical exposition, based upon carefully chosen sources and well-digested data, of the present tendencies of belief and policy on the part of socialist leaders in this country with regard to the significant faults of the present social organization and to the ultimate and immediate programs of socialism.

Even the reader unacquainted with socialistic theory may find in the brief summaries of Marxian socialism basis enough to give him interest in the rest of the book. The informed reader will find not only a valuable incidental view into the inner politics of socialist propaganda in this country, but a keen and suggestive exposition of the position of the traditional tenets of "scientific" socialism in actual process of revision and evolution in the minds of contemporary American socialists. The American Socialist party, in itself, is hardly old enough, large enough, or important enough to merit so careful a study.

The author faces at once the question, Who is entitled to represent socialism in this country?—and settles upon "the political and intellectual leaders" from whom "we must for the most part determine aims and tactics." The expedient is followed of employing as authorities chiefly those men and women who have held during the past four or five years the offices in the highest gift of of the party. Practically, in the course of the discussion, the reader is impressed with the frequency with which certain few names occur: Spargo, Simons, Hunter, Hillquit, Sanial, Unterman, Berger, Thompson, Simkhovitch. Writers like Mackaye (*Economy of Happiness*) are scarcely mentioned; Edmond Kelly not at all. The fact of the matter is that there is in the Socialist party itself an intelligent and progressive nucleus of younger men who apparently stand toward the old Marxism in much the

same relation as the modern "higher critics" of biblical literature stand to the Bible; for they are under the necessity of maintaining their "orthodoxy," of squaring the tenets of Marx and other patron saints with sense and fact today, and of keeping before the rank and file, for propaganda purposes, the old ideas and shibboleths, to some of which, at least, they now attach an entirely different philosophical meaning than formerly, and one which the general mass will not readily understand or accept. One result is that much is being read into Marx that is not there and much ignored which is there. The state of affairs is entirely analogous to judicial interpretation of the Constitution. If it won't work as it is, it must be interpreted by "rule of reason," or by broad construction, until it will work. Dr. Hughan is so evidently sympathetic with socialism, and is also so careful to quote copiously and to give always definite citations, that one cannot but accept her exposition as in the main correct; and one comes through with the renewed conviction that the socialist leaders are hedging at many important points. The labor theory of value is something they would evidently like to drop; so with surplus value, the iron law of wages, Rodbertus's theory of crises, increasing misery, and on the part of a large section, the class struggle. Indeed, in Dr. Hughan's exposition, certain parts of the Communist Manifesto and the economic interpretation of history seem to the reader about all that is left as a sure basis of socialism.

The chapters on the constructive program leave the impression that the younger leaders are beginning to place more emphasis on a definite outline of policy rather than to rely upon the faith of economic evolution. The Wisconsin group is a notable example of this position.

Unfortunately the book has no index.

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*Les Actions de Travail.* By JEAN GRANIER. Preface by CHARLES GIDE. Bibliothèque de l'Economie Politique et de Sociologie, IV. (Paris: L. Larose et L. Tenin. 1910. Pp. viii, 357.)

In the discussion of the labor problem in America, forms of wage-earners' copartnership in the business that employs them are no longer regarded as promising means of amalgamating the in-

terests of employers and employees. The book before us seriously puts forward this idea of labor participation as worthy of hopeful consideration in France.

All forms or degrees of wage-earners' participation in the profits of enterprise, says the author, group themselves under two distinctive categories. In those of one group the wage-earners are related to the business merely as individuals, with some features of the role of the private capitalist; in those of the other group they are related to the business as a group, with some features of collectivist proprietorship. The first part of the volume is an examination of typical instances under the first category; a second part is given to a study of the forms in the second category; a third part is a fundamental criticism of the forms of labor co-partnership detailed in preceding pages.

The author is led by his discussion to this position in the matter: The strife between employees and employers can be stopped only by some method of organizing enterprise that will provide a dominating interest common to both parties; but no form of collective participation in proprietorship can do this, because it cannot maintain itself. On the other hand, no form or degree of individual sharing in proprietorship or in profits can provide the necessary dominating common interest. Profit-sharing is enjoyed only by an act of grace. Stock ownership can be utilized only by employees who have reasonable assurance of continued employment with the company. The necessary condition can be had only with some form of individual stock ownership that grants a temporary title to an employee, which must be transferred automatically to other employees or to the employer on his quitting the employment of the company. This, the author concludes, offers a way for the development of a dominating common interest between employer and employee, yet he does not believe that it can ever grow into general coöperation and, through that, after the manner of Lassalle's conception, into socialism. The author urges that the French Parliament make the necessary changes in the laws of corporative enterprise to encourage the development he anticipates can be realized.

Whatever there may be in French conditions to sustain the author's faith in his conclusion, American readers will generally fail to share his optimism so far as the United States is concerned. However extensively such labor-owned shares might practically



pass into the hands of wage-earners, the employees' income as wages will far exceed their income as shareholders, and their interest in the daily conditions of their employment will be more vivid than their partial interest as proprietors. Therefore, unless they, as stockholders, have control of the business, there will be the same occasion for dissension with employers over wages, hours and other matters now in dispute. With the French ambition to acquire a *rente*, the author's proposal may more reasonably hope for success in France than elsewhere; it is almost certain that American workmen would not participate in such a plan to any important degree.

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*Ferdinand Lassalle. Studien über historischen und systematischen Zusammenhang seiner Lehre.* By EDUARD ROSENBAUM. (Jena: Gustav Fischer. 1911. Pp. viii, 220. 5.50 m.)

*Bischof von Ketteler als Vorkämpfer der christlichen Sozialreform.* By JOHANNES MUNDWILER, S. J. (Munich: Buchhandlung des Verbandes südd. kath. Arbeitervereine. 1911. Pp. 132. 1.50 m.)

There is a great difference between these books, both in spirit and method of treatment. In the spirit of historical materialism Herr Rosenbaum patiently traces the doctrines of Lassalle to their roots in the past and shows their relation to his life and times. In the spirit of a devout admirer Father Mundwiler gives a faithful picture of Ketteler as nobleman, priest, bishop, social reformer, and friend of the workingman. Both books are excellent in their way, although one could wish that the doctrines of Lassalle had been presented in a less impersonal way and that the character of Ketteler had been placed in its historical setting, so as to show his relation to other social reformers of his day.

Herr Rosenbaum, in his interesting and scholarly book, shows in detail the relation of the theories of Lassalle to those of Ricardo, Rodbertus, Marx, Blanc, and other economists, and even gives a list of the books in Lassalle's library, including works of Comte, Sismondi, Chevalier, Proudhon, Cournot, Gioja, Böckh, Wappäus, Gläser, McCulloch, Carey, and Buckle, some with annotations in Lassalle's own hand, showing that he read both widely and critically.

When all the sources are investigated, it is found that Lassalle, in common with other great men, contributed little that was new to the thought of his time, but took the ideas current in his day and school, hammered them out on his own anvil, and presented them to the world in his forcible and effective way. The idea of the class struggle may be traced to Heraclitus and was recognized by Bazard; the dialectical method was derived from Hegel; the right to work was asserted by Fourier; the communal idea is characteristically German; the ideas of revolution and the political activity of the working class arose in France; and the economics of socialism came from England.

But Lassalle was far more than a voice uttering the opinions of others, for he was an original thinker of unusual power and knew how to use the dialectical method. Everywhere he saw the conflict of opposing forces working toward change and social progress. Competition brings about the disappearance of the middle class and an unmitigated antagonism between employers and laborers which will pass away only when the laborers seize the means of production. The profound antagonism between socialized production and individualized distribution will be removed when distribution also is socialized. Moral progress is the result of a conflict between the standards of the bourgeoisie and the ideals of the proletariat. Bourgeois economics, which is the intellectual reflection of the bourgeois economic organization, developed contradictions within itself and committed intellectual suicide when Ricardo expounded the doctrine of rent, which is nothing but a theory of exploitation leading directly to socialism. There is a dialectical opposition between production and the product, since production is a flow and the product the coagulation of that flow, and production could not go on were it not that the product is constantly being torn from its fixity and thrown again into the stream of production, whereby not-capital becomes capital and the eternal flow and creation go on.

The thought of Bishop von Ketteler was upon a wholly different plane from that of Lassalle, being largely limited by the ideals and doctrines of the Roman Catholic Church. In fact, he can hardly be called a socialist, in the usual meaning of that word, but a Christian social reformer, like his English contemporaries, Kingsley, Maurice and Hughes, though of a more ascetic and thor-

oughgoing type. The Church recognizes the right to property as derived from God, not as an absolute right but as a right to use and administer it for the glory of God and the good of man. As Thomas Aquinas says, individual ownership is necessary to effective management, but the fruits of wealth must be used by the owner for the common good and not for his own enjoyment.

Bishop von Ketteler gave himself with enthusiasm and devotion to all kinds of charity and social reform and spent his whole income, beyond the cost of the necessities of life, in works of mercy. He was a lovable yet strong and warlike personality, reminding one of the character of Bishop Bienvenu depicted by Victor Hugo. He realized that charity alone was not sufficient, and that the sources of poverty and misery must be discovered and preventive measures used, if anything permanent was to be accomplished in the way of social reform. Like his teachers the Jesuits, he understood the importance of training children in industry and virtue, with religion as the indispensable means thereto. He strongly advocated workers' unions and coöperative associations, preferably under the wing of the church, but he opposed Lassalle's Workingmen's Association, which he regarded as an atheistical sect.

In reply to some workingmen who asked Ketteler whether they could, as good Catholics, be members of Lassalle's Association, he wrote:

"We Catholics cannot possibly be members of any association which does not respect our religious convictions . . . Godless egoists, whether they call themselves social democrats or leaders of the Universal German Workingmen's Association, do as much harm to the working class as godless, egoistic capitalists."

The present volume was prepared in connection with the celebration of the hundredth anniversary of Ketteler's birth, and is a worthy memorial to a great and good man.

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#### NEW BOOKS

ANDRE, R. *Les limites du collectivisme*. (Paris: Grasset. 1911. Pp. vi, 193. 1.50 fr.)

ANDLER, C. *La civilisation socialiste*. Les documents du socialisme, No. 5. (Paris: Rivière. Pp. 72. 0.75 fr.)

BLANC, L. *Organization of work*. Translated from the first edition by M. P. DICKORE. University of Cincinnati studies, Series II,

Vol. VII, No. 1. (Cincinnati, O.: University Press. 1911. Pp. 59.)

CRAWFORD, J. S. *Political socialism—Would it fail in success?* Third edition. (Cherokee, Iowa: J. S. Crawford. 1911. Pp. viii, 110. 25c.)

A criticism, by a senator from Iowa, in which the arguments of socialist agitation in the United States are analyzed.

CROSS, I. B. *The essentials of socialism.* (New York: Macmillan. 1912. Pp. 152. \$1.)

To be reviewed.

GOODELL, A. P. *Socialism in practice.* (Wellsville, N. Y.: A. P. Goodell. 1911. Pp. 15. 25c.)

HITCHCOCK, C. C. *The socialist argument.* (Chicago: Kerr. \$1.)

LAVERGNE, B. *Les progrès de la coopération de consommation en Europe depuis dix ans, 1900-1910.* (Paris: Larose & Tenin. 2 fr.)

LEWIS, A. *The militant proletariat.* (Chicago: Kerr. 1911. Pp. 183. 50c.)

LOWENTHAL, E. *The Ricardian socialists.* Columbia university studies in history, economics, and public law. Vol. XLVI, No. 1. (New York: Longmans. 1911. Pp. 105. \$1.)

To be reviewed.

MISSIAEN, B. *L'appauvrissement des masses: essai de critique sociale.* (Louvain: Charles Peeters. 1911. Pp. xiii, 488. 8s.)

Attacks both old and new socialistic doctrines and attributes the discontent of the masses to moral impoverishment, the only cure for which is to obey the tenth commandment. Examples and data used are largely German.

MIMIN, P. *Le socialisme municipal devant le conseil d'Etat, critique juridique et politique des régies communales.* (Paris: Larose & Tenin. 4.50 fr.)

POOR, G. H. *Blazing a trail. The story of a pioneer socialist agitator.* (Milwaukee. G. H. Poor. 1911. Pp. 90. 25c.)

Of some incidental value in showing primitive economic conditions in a rural section of Louisiana.

RIVAIN, J. *Les socialistes antidémocrates.* (Paris: Nouvelle librairie nationale. 1911. Pp. 72. 0.75 fr.)

RUSSELL, G. W. *Coöperation and nationality. A guide for rural reformers from this to the next generation.* (Dublin: Maunsel. Pp. 104. 1s.)

SCUDDER, V. D. *Socialism and character.* (Boston: Houghton Mifflin. 1912. Pp. xvi, 480. \$1.50.)

SPARGO, J. and ARNER, G. L. *Elements of socialism. A text-book.* (New York: Macmillan Co. 1912. Pp. 382. \$1.50.)

To be reviewed.

VEDDER, H. C. *Socialism and the ethics of Jesus*. (New York: Macmillan. 1912. Pp. xv, 527. \$1.50.)

To be reviewed.

VOIGT, A. *Die sozialen Utopien*. (Leipzig: G. J. Göschen. 1911. Pp. viii, 146. 1 m.)

WILLIAMS, A., translator. *Twenty-eight years of co-partnership at Guise*. (London: Co-partnership Pub. 1s. 3d.)

——— *Report on industrial and agricultural coöperative societies in the United Kingdom, with statistical tables, 1895 to 1910*. (London: King. 1s. 8d.)

## Statistics

### NEW BOOKS

ALBRECHT, G. *Haushaltungssstatistik. Eine literarhistorische und methodologische Untersuchung*. (Berlin: Heymann. 1912. Pp. 126. 3 m.)

Study of workmen's and family budgets.

BIROT, J. *Statistique annuelle de géographie humaine comparée (1911): population, superficie, agriculture, industrie, commerce, finances, forces militaires*. (Paris: Hachette. 1 fr.)

BLENCK, E., NEEFS, M., and ZAHN, F. *Die amtliche Statistik in den Hauptkulturstaaten*. (Jena: Fischer. 1911.)

DENIS, H. *Les index numbers des phénomènes moraux*. (Bruxelles: Hayez. 1911.)

HARET, C. *Mécanique sociale*. (Paris: Gauthier-villars. 1910. Pp. vi, 256. 5 fr.)

An endeavor to apply a method based on mathematical analysis to the study of social questions.

JULIAN, A. *Précis du cours de statistique générale et appliquée*. Third edition, revised. (Paris: Rivière. 4 fr.)

LIESSE, A. *La statistique. Ses difficultés; ses procédés; ses résultats*. Second edition, revised and enlarged. (Paris: Alcan. 1912. Pp. viii, 192. 2.50 fr.)

LOTTIN, J. *Quételet, statisticien et sociologue*. (Paris: Alcan. Pp. xxx, 564. 10 fr.)

Chapters are devoted to free will and social laws, and to the average man. There is an exhaustive bibliography.

MACIEJEWSKI, C. *Nouveaux fondements de la théorie de la statistique*. (Paris: Giard & Brière.)

NIJHOFF, M. *Aperçu de la littérature statistique des Pays-Bas*. (La Haye: Nijhoff. 1911.)

OTTOLENGHI, C. *La determinazione del valori d'importazione e d'esportazione nella statistica italiana*. (Rome: Giorn. d. Econ. 1911. Pp. 18.)

## DOCUMENTS, REPORTS, AND LEGISLATION

### Industries and Commerce

The address of President Taft on *Conservation of the Soil*, delivered at the National Conservation Congress, Sept. 25, 1911, has been reprinted by the Department of Agriculture as Circular No. 38 (pp. 8).

The *Official Proceedings of the Nineteenth National Irrigation Congress*, held at Chicago, Dec. 5-9, 1911 (Arthur Hooker, secretary, Spokane, Washington, 1912, pp. 359), includes the addresses delivered at the convention. Among the topics discussed were "The Uses of the Great Lakes"; and "Principles Underlying Water Rights."

The *Proceedings of the Eighth Annual Convention of the National Rivers and Harbors Congress*, held December 6-8, 1911 (S. A. Thompson, secretary, 824 Colorado Building, Washington, 1912, pp. 310), gives evidence of the active campaign carried on for the improvement of waterways. A policy of an annual river and harbor bill has been inaugurated, and the amount appropriated in the past seven years since the association was organized is \$82,000,000 more than for a similar period previous. Among the papers published are "The Mississippi Valley Waterway System and South American Trade," by Professor Kinley (pp. 19-31); "Influence of the Panama Canal on the Development of the Lumber Industry," by J. N. Teal (pp. 74-88).

The State Library of Washington has published a *Select List of References on Conservation of Natural Resources* (Olympia, 1911, pp. 38).

The "Crop Reporter" (Washington, Department of Agriculture) for April, 1912, contains an article on *High Prices and Crop Production* in which from statistical data it is shown that the production of staple food products in the past few years has increased more rapidly than population.

*Hearings on the Development and Control of Water Power before the National Waterways Commission*, November 21-24, 1911, has been published as Senate Document No. 274 (62 Cong., 2 Sess., 1912, pp. 292).

According to the *Report of the Governor of the District of Alaska for 1911* (Washington, Department of the Interior, 1912, pp. 92) Alaska is not likely to develop until there is a more liberal policy in behalf of capitalized interests. Population increased only 764 be-

tween 1900 and 1910. The report contains a summary of industrial resources and at the end there is a bibliography of ten pages.

The Library of Congress has added to its list of useful bibliographies a compilation of references on *Parcels Post* (Washington, 1911, pp. 39). Books and articles in periodicals extending from 1859 to 1911 are listed.

President Taft in a *Message* communicated to Congress, February 22, 1912, transmitted the *Report of the Commission on Second-Class Mail Matter* (1912, pp. 100). An elaborate analysis of the cost of the different branches of postal service is made, from which the commission recommends that there should be an increase in the charge for second-class mail applied to both newspapers and periodicals.

*Everglades of Florida* (Sen. Doc., No. 89, 62 Cong., 1 Sess., 1911, pp. 208) contains a compilation of acts, reports, and other papers relating to the everglades of Florida and their reclamation. Documentary material extends back to 1819. There are two maps.

*Alabama's New Era*, published by the State Board of Immigration (Montgomery, pp. 148), presents information in regard to resources and industrial opportunities.

Bulletin No. 13 of the Milwaukee Bureau of Economy and Efficiency deals with *Milk Supply* (Milwaukee, Jan., 1912, pp. 47); it is prepared by S. M. Gunn. The average per capita consumption of milk is 0.64 pints per day. The supply is derived from 1900 farms, and 95 per cent comes from within 45 miles. There are 188 retail dealers distributing in wagons in addition to about 1100 stores selling milk. 61 per cent of the total supply is handled by ten dealers; 52 per cent by four, and 36 per cent by one dealer.

The Bureau of Corporations has issued Part II of *The Steel Industry: Cost of Production, Preliminary Report* (Washington, Jan. 22, 1912, pp. 144). The report is based on the actual records of companies producing two thirds of the products from 1902-1906 as well as more restricted returns for later years. A difficult problem in the analysis of the records was the separation of intercompany and transfer profits.

The Wisconsin Water Power Association has published in pamphlet form the opinion of the Supreme Court of Wisconsin on *The Water Power Cases*, rendered Jan. 30, 1912, declaring the recent Wisconsin act unconstitutional.

The Bureau of Statistics of Massachusetts anticipates the federal report in presenting the census returns of 1910 in its *Twenty-Fourth Report on the Statistics of Manufactures* (Boston, 1911, pp. xxxi, 111). The rate of increase during the last five-year period was greater than for the preceding half decade. Population increased 12.1 per cent and value of manufactured products 32.6 per cent in the years 1905-1910. The classification of manufacturing establishments formerly used by the state bureau has now been made to conform with that of the federal census.

In the *Annual Report of the Commissioner of Navigation* for 1911 (Washington, 1911, pp. 299) special attention is given to a discussion of Panama Canal tolls and also to the question of federal regulation of radiocommunication.

Two reports, majority and minority, have been made by the Committee on Interstate and Foreign Commerce on the *Operation of the Panama Canal* (H. R., No. 423, March 16 and 20, 1912, 62 Cong., 2 Sess., pp. 13, 16). The majority report supports a bill (H. R., No. 1969) which among other provisions authorizes uniform toll charges not exceeding \$1.25 per ton without preference to any foreign nation or to Americans; the reasons for such recommendation are given at length. The minority advocates the exemption in favor of vessels engaged in commerce between the states.

An exceptionally valuable report is that on *The Sheep Industry in Canada, Great Britain and the United States*, issued by the Department of Agriculture of Canada (Ottawa, Nov., 1911, pp. xi, 187). The inquiry, prompted by the decline of the sheep industry in Canada, was made by special commissioners who spent several months in the United States and Great Britain. Special attention was given to methods of marketing both wool and mutton. The woolgrowing industry of the United States is regarded as more interesting than instructive. "It is even disappointing because it has not developed in proportion to the support it has received" (p. 48). The system of cross-breeding in the Western states is unsatisfactory; shearing sheds are very crude; there is much waste; and there is a lack of labor-saving devices. The system of marketing wool is equally unsatisfactory.

*The Canadian Oyster Industry* (Ottawa Commission of Conservation, 1911, pp. 20), by M. J. Patten, gives statistics of a dying industry and discusses methods of control for its revival.

*Russian Cereal Crops*, by Edward T. Peters, has been published



by the Department of Agriculture as Bulletin No. 84 (Washington, 1911, pp. 99). It covers the years 1901-1910. A map illustrates the distribution of population.

### Corporations

The Senate Committee on Interstate Commerce has already published thirty-two parts of *Hearings* authorized under Senate Resolution 98, concerning the desirability of changes in the laws regulating corporations, persons and firms engaged in interstate commerce. A large number of witnesses have appeared before the committee; and the hearings are valuable as illustrating the extraordinary diversity of opinion of the lawyers, business men, economists, and others upon the present conditions of governmental control of interstate commerce. These documents contain a considerable number of original memoranda and most of the bills which have been proposed for the purpose of amending or supplanting the Sherman Act. In Part XXX (Feb. 24 and 28) there is supplementary testimony and evidence submitted by Messrs. Untermeyer and Brandeis, the latter relating to the United Shoe Machinery Co.; and in Part XXXI (March 13-15), testimony bearing upon the Panama Canal trade route.

The Stanley Committee of the House of Representatives, appointed for the purpose of investigating the United States Steel Corporation, has published nearly sixty parts of *Hearings*. Part LIII contains an elaborate report of the accountant, Mr. F. J. MacRae, in four sections. The first of these contains the report proper; the second, extracts from the minutes of the board of directors, executive and other committees on the administration and general policies of the Steel Corporation; the third, documents; and the fourth, a general index of the report. The first also includes an elaborate series of exhibits showing the financial history and present condition of the Steel Corporation.

In the *Annual Report of the Commissioner of Corporations for 1911* (Washington, Apr. 8, 1912, pp. 6) attention is directed to the need of further legislation to supplement judicial procedure after disintegration of trust organizations. The companies which formed the American Tobacco Company and the Standard Oil Company should be subject "to constant inspection by a federal office." It is "wholly impossible to enforce effectively any real system of restraint through the courts alone."

Other investigations of trusts are represented by *Hearings* before

the House Committee on Rules on the International Harvester Company (Jan. 17, 1912, pp. 43); *Hearings on the Investigation of the Shipping Trust* (Dec. 18, 1911, pp. 122); and a brief report of the Special Committee of the House of Representatives to Investigate the American Sugar Refining Company and others, in which the history of trust development in the sugar refining business is summarized. (Chairman of Special Committee, Mr. Hardwick, 1912, pp. 32.)

Note should also be made of the message of President Taft on *The Anti-Trust Statute* (Dec. 5, 1911, pp. 43), in which federal incorporation is again recommended.

There has been prepared for the use of the Committee on Interstate Commerce of the House of Representatives a compilation on *Trusts in Foreign Countries* (Washington, 1911, pp. 132, 30), containing laws and references concerning industrial combinations in Australia, New Zealand, Canada, and Continental Europe, and a digest of the British Companies Act of 1908. Among the papers are reprints of articles by Francis Walker and two reports on German trusts made by consular officers.

In "Greater New York" (the bulletin of the Merchants' Association of New York) for April 15, 1912, are published the recommendations of the association for amending the Sherman Anti-Trust Act. The plan in brief follows the Canadian Combines Investigation Act, in ascertaining quickly and definitely whether any particular form of business is illegal.

Students of the trust problem will be interested in *Operations of the United States Shoe Machinery Company*, a booklet made up from a series of articles contributed to the "Weekly Bulletin of Leather and Shoe News" (Boston, Weekly Bulletin Publishing Company, 1911). It criticises severely the lease system by which the Shoe Machinery Company has, it is charged, been able to control a large proportion of the machine-made shoes, and advocates among other things that the tariff on imported shoes be reduced so that outside competition may prevent the Shoe Machinery Company from exacting a monopoly profit from the wearers of shoes in the United States. After reading this pamphlet, one would do well to consult the report of the Senate Interstate Commerce Committee which has published the leases of the Shoe Machinery Company in full. M. H. R.

The investigation of the United Shoe Machinery Company in Canada up to April, 1911, is summarized in *Report of Proceedings under the*

*Combines Investigation Act for the year ended March 31, 1911* (pp. 22), published as an appendix to the report of the Department of Labour.

In the *Second Annual Report of Statistics of Express Companies in the United States* for 1910 (Washington, Interstate Commerce Commission, 1912, pp. 38), it is shown that the "record value" of all property used in operation by express companies is but 12.37 per cent of their total assets. One company, with working property valued at \$29,000, is reported to have made a net profit of \$139,000. The report contains abundant data illustrating the problem of franchise value.

The *Twenty-third Annual Report on the Statistics of Railways in the United States* containing statistics for the year 1910 has recently been issued by the Interstate Commerce Commission. There is but one prominent change in the composition of the report, and that is the omission of the accident statistics. It is gratifying to note that for the first time there is included a detailed statement of the railway securities owned by railway corporations. On the other hand, the figures for switching and terminal companies are still lacking; and it is to be hoped that the studies of the commission will have been sufficiently completed before the next report to permit of their inclusion. And would it not be possible to publish the volume within twelve months of the date of the statistics?

E. R. D.

Bulletin 28 of the Bureau of Railway Economics discusses the *Effect of Recent Wage Advances upon Railway Employees' Compensation during the Year Ending June 30, 1911; Variations in the Numbers of Railway Employees 1909-1911; and Relation of the Number of Employees and their Compensation to Traffic and Revenue* (Washington, Feb., 1912, pp. 47). Interesting and novel statistical ratios are worked out showing the number of employees per 1,000 miles of line, in different branches of railway service.

Accounting Bulletin, No. 7 of the Interstate Commerce Commission, entitled *Decisions upon Questions Raised under Classifications Prescribed by the Interstate Commerce Commission for Electric Railways, in Accordance with Section 20 of the Act to Regulate Commerce, Effective on January 1, 1912* answers 262 questions which have come up in reference to the administration of the accounts by the Interstate Commerce Commission. The bulk of the questions has to do with the

classification of particular costs, *i. e.*, the uncertainty to what specific account a particular cost should be charged. In every case the answer is explicit and direct. The bulletin really supplements the classification of accounts published by the commission. Similar bulletins have previously been published in reference to both electric and steam roads.

J. B.

The *Report of the Tax Commissioner of Corporations of Massachusetts upon Voluntary Associations* (Boston, 1912, pp. 31) assembles useful information in regard to a peculiar form of organization which has received in this country its greatest development in Massachusetts. Voluntary associations, which were common in England a century ago, are similar to corporations in that shares are transferable and that there is limited liability; but on the other hand they escape some of the obligations and responsibilities of corporations. The report discusses the form and status of these associations and recommends legislation.

The Special Libraries Association (State Library, Indianapolis, Ind.) has reprinted from "Special Libraries" a bibliography on *Street Railway Service* (10c.).

On March 6, 1912, Governor Foss of Massachusetts sent a special message to the legislature advocating the establishment of a public utilities commission to take the place of the several commissions now in existence. This is favored on the ground that a single commission would be more efficient, a higher standard could be set, and uniform principles of control would be developed. A proposed bill drafted by Professor Bruce Wyman, of the Harvard Law School, is appended. (Boston, H. Doc., No. 1904, pp. 69.)

A serviceable report published by the California Railroad Commission deals with *Leading Railroad and Public Service Commissions* by Max Thelen (Sacramento, 1911, pp. 98). The author, attorney for the commission, visited the commissions in twelve states and summarizes his data under headings, such as organization and office systems, physical valuation, rate making, engineering department, supervision of securities, forms of accounts, etc. It is doubtful if so much information on the work of commissions at the present time is elsewhere available in so convenient a form.

In the *Report of the Public Service Commission of Maryland for 1911* (Baltimore, 1912, pp. 738) will be found a large mass of material bearing upon the subject of telephone rates. This includes the

report of the chief engineer relative to proposed rates of the Chesapeake and Potomac Telephone Company, and the report of D. C. and Wm. B. Jackson on telephone rates in Baltimore, referred to in a subsequent note.

The *Report of the Secretary of State of Canada for 1911* (Ottawa, 1911, pp. 641) is of interest as illustrating methods of federal supervision of corporations at the time of incorporation. Objections have been made in the past to federal incorporation on the ground that it infringed upon the rights of the provincial legislatures. Such doubts apparently are disappearing, for strong corporations are seeking the privileges of the Dominion Act. This bulky volume contains transcripts of the objects of business of every company seeking a charter during the year. The submission of this as well as payment of fee must be made before a "letter patent" is issued.

New rates proposed by the Chesapeake and Potomac Telephone Company for Baltimore were submitted by the Public Service Commission of Maryland to the electrical engineers recently employed on similar investigations in Chicago and Boston, and the results are published in a *Report to the Public Service Commission of Maryland on the Telephone Rates in the City of Baltimore*, by D. C. and W. B. Jackson (1911, pp. 32). In the main, the experts approved the proposals of the telephone company, including its proposal to abolish flat-rate unlimited business service. The economist's interest in their report will lie especially in the theory of rate-making recommended by the experts to the Public Service Commission.

This theory is founded upon the proposition that "a perfect rate for any telephone service would be one which would return to the company the entire cost of rendering that service," but is modified in consideration of the fact that "the business subscribers of the city who use a great many messages demand the speediest and most accurate service obtainable at any cost, but other business subscribers and the residence subscribers would often be well satisfied by a more leisurely grade of service." Since it is not practicable to offer different grades of service within a single telephone system, "the cost of performing specific service for the small users is not in itself a fair basis of rates in case the cost is to be put where it belongs; and a distinction should, therefore, probably be made in class rates so that the cost of speed and accuracy may be placed on the classes of subscribers who demand it." That is to say, the Public Service Commission is advised that rates should be based, not strictly upon the

cost of serving the several classes of subscribers, but upon such cost subject to certain economic and social considerations, the force of which must be judged by the commission. A. N. H.

The pamphlet edition of the *Fifth Annual Report of the New York Public Service Commission, Second District*, for 1911 (Albany, 1912, pp. 154), summarizes the work of the commission for the past year. There are now 940 companies under its supervision. Expenses were \$343,000. The number of complaints shows an increase, particularly those made by correspondence.

The quarto volume of the *Fourth Annual Report of the New York Public Service Commission, Second District*, Vol. III, contains abstracts of reports of electrical, gas, and telephone companies (Albany, 1911, pp. 192). The tabulations include abstracts of reports of municipal corporations operating lighting plants. In all there are two cities and forty-eight villages which operate municipal lighting plants. As not all of these have adopted practices of modern accounting, it is difficult to tabulate returns for these plants.

The opinions filed by the New York Public Service Commission for the First District beginning with January, 1912, are to be published in an *Official Series of Reports*, in form similar to reports of decisions of courts. These will include syllabi, indices, and judicial decisions reviewing orders of the commission. Opinions will appear first in pamphlet form about once a month, and there will be at least one bound volume a year. The price is \$2.00 per volume. Subscriptions may be sent to Travis H. Whitney, secretary, 154 Nassau St., N. Y.

The *Public Service Laws of Vermont*, compiled from the public statutes and the acts of 1908 and 1910 have been issued as a separate pamphlet (1911, pp. 121). There is a table showing the dates of enactment of different provisions, which throws light on the history of the development of regulation.

The *Annual Report of the Board of Directors of the American Telephone and Telegraph Company for the year ending December 31, 1911*, in addition to showing the remarkable development of the telephone business in the United States, contains an elaborate discussion upon the desirability of building up a considerable reserve against future extraordinary risks and also an interesting contribution to efficiency literature by showing the gains resulting from the union of the telephone and telegraph service. M. H. R.

The argument of G. W. Anderson of Boston in the Haverhill Gas Case, made before the Board of Gas and Electric Light Commissioners of Massachusetts, Dec. 14, 1911, has been privately printed under the title *Twenty-five Years of Regulated Monopoly* (pp. 46). It is an interesting review of the history of a public service corporation, in which questions of reduction of price and reorganization by a securities company are involved.

In this connection is to be noted the decision of the Board of Gas and Electric Light Commissioners (Boston, pp. 9), rendered Dec. 30, 1911, adverse to the petition of the Haverhill Gas Co. to increase its stock.

### Labor

PROPOSED FEDERAL COMPENSATION ACT; COMPARISON WITH STATE LAWS. The federal compensation act, which was drawn up by an able commission of which Senator Sutherland is chairman, was transmitted to Congress by President Taft on February 20.<sup>1</sup> The proposed act applies to railroads engaged in interstate commerce and compels them to pay compensation to employees injured while engaged in such commerce. The right to compensation is granted irrespective of negligence on the part of the railroads and supersedes all other civil remedies. The amount of compensation depends on the rate of wages and varies in accordance with the degree of injury. For total disability the injured man receives one half wages during his life. In case of death compensation is paid to the widow or children.

Controversies are to be settled by agreement, or by a committee chosen by the employer and employees, or if they are not settled in this way they are determined by the adjusters in each district appointed by the District Courts. There is an appeal from the decision of the adjuster to the District Court sitting without a jury unless a jury is claimed within five days and a fee of \$5 is deposited. From the decision of the District Courts there is an appeal to the higher courts on questions of law. There is no provision in the act for an administrative board nor does it require the railroads to carry insurance.

It will be of interest to contrast this act with several of the laws passed by the states. Acts have been passed in about a dozen states. They differ from each other in many respects and we may take the laws of New Jersey, Wisconsin, Massachusetts, Ohio and Washington

<sup>1</sup> *Message of the President of the United States Transmitting the Report of the Employers' Liability and Workmen's Compensation Commission.* (Sen. Doc., No. 338, 62 Cong., 2 Sess., Vol. I, pp. 214).

as representing the various types. They all agree in allowing recovery irrespective of negligence. The New Jersey law does not provide an administrative board and the controversies are to be settled in the ordinary courts. The Wisconsin law provides a board to administer the law; and this board determines the controversies arising under the act with a limited appeal to the courts. The Massachusetts act adds the requirement that an employer must insure the compensation in a liability insurance company or in a large mutual company patterned after the German practice. The Ohio act establishes a system of state insurance and provides for contribution to the premiums by the employees. All these laws are elective and the amount of compensation is based on the wages earned by the injured man. The act of the state of Washington is compulsory. It provides for state insurance; it differs from the other laws in the feature that the amounts of compensation do not vary according to wages but are awarded at the same rate to all injured employees.

The federal act differs from all the above acts except that of New Jersey in not providing for an administrative board. The absence of such a board will not be so great a defect as it would be in the case of a state law, as the law applies only to one kind of employment and does not require so much technical oversight to insure its effective operation. The employees of interstate railroads are a very intelligent class of men and do not need the same provisions for protecting their interests as the less intelligent operatives in many other industries.

The lack of any requirement of insurance has been found in England to be a great disadvantage but it is not a serious drawback in this instance as there are so few railroad systems of the country which are not financially sound. A great advantage which the proposed act possesses over the state laws is that it applies to all railroads engaged in interstate commerce and there is no question of imposing too great a burden on the industry of one state as contrasted with that of another.

The chief advantage over all state laws except that of Washington is that it is compulsory and requires railroads to conform to it. All the state laws but one are elective, with the result that, although the state has declared the new law to be required in the interests of modern industrial development, it has no means of providing that all industry shall be subject to it as every employer has the choice of accepting or rejecting the law. This situation was due to a fear that



the courts of other states would follow the New York court in holding compulsory laws unconstitutional. The federal bill will be watched with great interest and if it is passed by Congress and upheld by the Supreme Court of the United States it will have great effect on the future development of such laws in the various states.

JAMES A. LOWELL.

CONSTITUTIONALITY OF OHIO'S EMPLOYERS' LIABILITY LAW. At the time of the passage of the Employers' Liability Law considerable doubt was expressed as to its constitutionality. Benefitting from the experience of some other states whose acts, after having been placed in operation, were declared unconstitutional, Ohio secured a decision on this point before the law was completely placed in operation. When the three commissioners were appointed to administer the act, a friendly suit was instituted upon a commissioner's attempting to draw his first salary. The case was ably presented to the court and a large amount of evidence was submitted on both sides. The chief points made against the act and the court's reply in each case were as follows: (1) That it was an unwarranted exercise of the police power. To which the court replied that anything "reasonable and necessary to secure the peace, safety, morals and best interests of the commonwealth may be done under the police power." (2) That it takes private property without due process of law, and that it deprives the employer of the common law defense in case he did not subscribe to the fund, and second, that it deprives the employee of his wages and a trial by jury. To this the court replied that depriving the employer of the common law defense was not coercive, since he might elect whether he would or would not come under the act. And further, that the employee was not coerced, in that he had the option of making a claim under the act or suing in the court for damages. (3) That it deprived the parties of freedom of contract and impaired the obligation of contract. On the second part of this point the court replied "that existing contracts are not affected and that any contracts made subsequent should conform to the spirit and letter of the law." And further, that while the courts of the country have resisted any encroachment on the constitutional guarantees, yet they have found in these constitutions ample powers to enable the legislative will to meet the emergencies and changing needs in a developing society. (4) That it makes an unjust and arbitrary classification and does not affect all who are within its reason. The court refused to

consider seriously the first part of this objection and on the second it said that in order to be general and uniform in operation it is not necessary that the law should operate upon every person in the state. If it operates uniformly upon all brought within the law, it is not discriminatory legislation. (5) That it creates a court with judges appointed by the Executive of the state. The court replied that the board appointed is not a court but an agency to collect and administer an insurance fund.

Since the constitutionality has been decided, the board has proceeded to place the act into operation. In order to acquaint the people with its working, their agents have been sent into the industrial centers of the state to explain the provisions of the act. The rates have been promulgated for only a six months' period, at the close of which time it is proposed to revise the rates in accordance with experience. The rates promulgated are considerably higher in some occupations than those charged by private employers' liability companies in a number of the states. However, it seems likely that the act will be taken advantage of by a great number of employers.

W. F. GEPHART.

COMPENSATION LEGISLATION IN NEW YORK IN 1912. The decision of the New York Court of Appeals in 1911 setting aside as unconstitutional the Wainwright Compensation Act presented two alternatives to the New York legislature which has just adjourned. A compensation amendment, empowering the legislature to pass a compulsory compensation law, might be added to the state constitution; or the plan might be adopted, which is being tried in so many neighboring states, of permitting compensation and at the same time penalizing employers and employees who refuse to adopt the system so that they will be under strong pressure to accept it. The New York branch of the Association for Labor Legislation decided in favor of the first plan, and largely as a result of its efforts, the legislature passed, just before the close of the session, a joint resolution which, if again adopted by the legislature and approved by popular vote in the election of November, 1913, will become a part of the constitution of the state. The important portion of this joint resolution is as follows:

Nothing contained in this constitution shall be construed to limit the power of the legislature to enact laws for the protection of the lives, health, or safety of employees; or for the payment, either by employers, or by employ-

ers and employees or otherwise, either directly or through a state or other system of insurance or otherwise, of compensation for injuries to employees or for death of employees resulting from such injuries without regard to fault as a cause thereof, except where the injury is occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee while on duty; or for the adjustment, determination and settlement, with or without trial by jury, of issues which may arise under such legislation; or to provide that the right of such compensation, and the remedy therefor shall be exclusive of all other rights and remedies for injuries to employees or for death resulting from such injuries; or to provide that the amount of such compensation for death shall not exceed a fixed or determinable sum; provided that all moneys paid by an employer to his employees or their legal representatives, by reason of the enactment of any of the laws herein authorized, shall be held to be a proper charge in the cost of operating the business of the employer.

As will be seen, the amendment includes a broad definition of the police power, in addition to the clauses relating to compensation. The final clauses, added out of deference to the insistent desire of an influential member of the assembly, would be more proper in a statute than in the constitution but will not, it is believed, seriously hamper the legislature in drafting a wise compensation law.

At the same time that this compensation amendment was being considered, three different bills were before the legislature. Of these, one copied closely the Washington Compulsory State Insurance Law; another, the Ohio Optional Insurance Law; and the third, the New Jersey Optional Compensation Law. No one of these bills was brought to a vote.

HENRY R. SEAGER.

THE MASSACHUSETTS MINIMUM WAGE COMMISSION, appointed by the Governor, in 1911, to investigate the wages of women and minors in Massachusetts industries and to consider the advisability of establishing minimum wage boards, has submitted its report<sup>1</sup> (Boston, Jan., 1912, pp. 33). This commission restricted its investigation to female employees in confectionery factories, retail stores and laundries, and to the cotton industry. Most of the information with respect to the latter was obtained from the first volume of the federal report upon the *Condition of Women and Child Wage-Earners in the United States*. Information concerning the other industries was obtained by special investigators under the direction of the commission itself.

The following tables summarize the most important of the commission's findings:

NUMBER OF EMPLOYEES INVESTIGATED OVER EIGHTEEN,  
WITH CLASSIFIED WEEKLY WAGES

	Under \$4	\$4 to \$4.99	\$5 to \$5.99	\$6 to \$6.99	\$7 to \$7.99	\$8 and over	Total
Confectionery . . . . .	197	302	296	206	133	84	1,218
Stores . . . . .	90	201	555	526	358	1,131	2,861
Laundries . . . . .	23	113	209	164	127	211	847
Cotton . . . . .	860	732	1,033	1,045	958	2,305	6,933
Total . . . . .	1,170	1,348	2,093	1,941	1,576	3,731	11,859

<sup>1</sup> The commission reached the conclusion that the establishment of minimum wage boards is advisable. See AMERICAN ECONOMIC REVIEW, March, 1912, p. 31.

DISTRIBUTION OF WAGES BY PERCENTAGES—WOMEN  
OVER EIGHTEEN

	Under \$4	\$4 to \$4.99	\$5 to \$5.99	\$6 to \$6.99	\$7 to \$7.99	\$8 and over
Candy factories . . . . .	16.2	24.8	24.2	17.1	10.8	6.9
Retail stores . . . . .	3.1	7.1	19.3	8.4	12.5	39.6
Laundries . . . . .	2.7	13.4	24.6	19.4	15.0	24.9
Cotton . . . . .	12.4	10.6	14.9	15.1	13.8	33.2
Total . . . . .	9.9	12.3	16.7	16.4	13.3	31.4

"Examination of the findings of our own investigators, however, shows that the lowest range of wages is less uniformly distributed within an industry than the statement of an average would suggest. For instance, in the candy industry, with its 41 per cent of adult women receiving less than \$5 a week, a comparison of wage rates in all different establishments shows that the lowest wages are confined to four factories, in one of which, indeed, 53.3 per cent of the employees received less than \$5, while the other seven factories paid not one single employee of eighteen or over so low a wage. The difference between these factories in the kind and grade of their product cannot account for the differences in the wage scale, as both the higher and the lower wage scale prevailed in the factories manufacturing the cheaper line of confectionery. Similar differences between different establishments were found in the stores and the laundries . . . . evidence that the industry will bear a higher rate of compensation than some employers pay. These latter, whether because of inefficient management or because they are making unusual profits, are doing business at the expense of their employees.

"These inequalities of wages in the same industry are evidence of the fact to which some of the more thoughtful employers testified—that the rate of wages depends to a large degree upon the personal equation of the employers and upon the helplessness of their employees, and to a very inexact degree upon the cost of labor in relation to the cost of production."

Further details are to appear later in Part II of the commission's report, containing a special report by the secretary, together with appendices upon such topics as "Women Adrift," "What is a Living Wage," and a series of statistical summaries.

A. N. HOLCOMBE.

WOMAN AND CHILD WAGE-EARNERS IN THE UNITED STATES. IN 1907 Congress authorized the Secretary of Commerce and Labor to report on "conditions surrounding women and child workers in the United States wherever employed, with special reference to their age, hours of labor, term of employment, health, illiteracy, sanitary and other conditions surrounding their occupation, and the means employed for the protection of their health, persons, and morals." The investigation has been made, and documents dealing with different phases of the subject are being issued by the Bureau of Labor. The entire report will be covered by nineteen volumes, of which fourteen are under present consideration.<sup>1</sup>

The first four volumes contain studies of selected industries, cotton textile, men's ready-made clothing, glass and silk. These industries were selected because of the number of women and children employed

<sup>1</sup> *Report on Condition of Woman and Child Wage-Earners in the United States* (61 Cong., 2 Sess., Sen. Doc., No. 645, 1910-1911), prepared under the direction of CHARLES P. NEILL and under the immediate direction and supervision of CHARLES H. VERRILL. I, *Cotton textile industry*, 1910, pp. 1044; II, *Men's ready-made clothing*, 1910, pp. 878; III, *Glass industry*, 1910, pp. 970; IV, *Silk Industry*, 1910, pp. 592; V, *Wage-earning women in stores and factories*, 1910, pp. 384; VI, *Beginnings of child labor legislation*, by ELIZABETH LEWIS OTEY, 1910, pp. 225; VII, *Conditions under which children leave school to go to work*, 1910, pp. 309; VIII, *Juvenile delinquency and its relation to employment*, 1910, pp. 177; IX, *History of women in industry in the United States*, by HELEN L. SUMNER, 1910, pp. 277; X, *History of women in trade unions*, by JOHN B. ANDREWS and W. D. P. BLISS, 1910, pp. 236; XI, *Employment of women in the metal trades*, by LUCIAN W. CHANEY, 1911, pp. 107; XII, *Employment of women in laundries*, 1911, pp. 121; XV, *Relation between occupation and criminality of women*, by MARY CONYINGTON, 1911, pp. 119; XVI, *Family budgets of typical cotton mill workers*, by WOOD F. WORCESTER and DAISY WORTHINGTON WORCESTER, 1911, pp. 255.

and the industries' dependence upon them. The cotton textile industry, for instance, according to the census, employed in 1905 nearly 60,000 more women than any other manufacture, and more children than any other four industries combined. Women and children constituted 53.4 per cent of all the employees in the industry. Men's ready-made clothing is the second manufacture in the country in the number of women employed, though ranking ninth as an employer of child labor; this afforded excellent material for a study of home work. The glass industry has long been a large employer of child labor, and more recently has been an important employer of women. "Essentially spectacular in its processes, it has everywhere attracted the attention of those interested in the problems of child labor, and it has thus played a large part in molding that public sentiment which is everywhere being expressed in laws. Obviously in an investigation of women and child labor, glass could not be ignored" (II, 15). The silk industry, in 1905, was the seventh manufacture in the number of women employed, and third in number of children; it is peculiarly dependent on women and children, who constitute 66 per cent of its wage-earners.

The portion of each industry covered by the investigation varies, but is always so broad that conditions reported may reasonably be believed typical of those generally surrounding the women and child employees. The cotton textile industry was studied in four New England and six Southern states. In 1908, the year of the survey, these states had 85.8 per cent of all spindles in the country. The investigation covered 32 per cent of the operatives in these states. The study of the glass industry included three fourths of the factories in operation and 70 per cent of the industry's women and child workers. The investigation of the men's ready-made clothing manufacture covered nearly 30 per cent of the employees at work in the industry in five cities which produce over 68 per cent of the total value of the product. The report on the silk industry is based on a study of 174 establishments, out of a total of 624 recorded by the census of 1905. In selecting regions and establishments for study, care was taken to include different sections of the country and varied types of establishment, large, small, urban, rural, old, new, good, bad and average. All points on which investigation was ordered are treated as regards the occupations in each industry in which women or children are employed. Occupations employing only men are omitted from the survey. In the analysis of the labor force and

of hours of work and wages, a particularly valuable service is rendered by tables showing the relation between age and wages. Overtime and night work are carefully reported. Industrial processes and factory conditions are described. Agents studied the home conditions of a part of each industrial group, reporting on the character of dwellings and neighborhoods and on the amount and sources of family income.

Volume V is a report on living conditions of women wage-earners, based on a study of nearly 8000 women employed in stores and factories, and of waitresses in about 73 per cent of the hotels and restaurants of New York, Chicago, Philadelphia, St. Louis, Boston, Minneapolis, and St. Paul. This volume, of course, is extensively supplemented by material in other volumes of the report. Volume VI is a history of the beginnings of child labor legislation (prior to 1860 in several states and down to the present in four Southern states). Volume VII reports on conditions under which children leave school for work, being a study of 622 such children, below high school grade, excluding negroes in the South. Two northern and two southern states are represented, and the seven localities covered in this study—Pawtucket and Woonsocket, R. I., Plymouth and Hazelton, Pa., Columbia, S. C., and Columbus and its environs, Ga.,—were chosen because of the variety and the typical character of child labor present, school conditions, and the presence of different racial, social and industrial features. It was obviously necessary to select places small enough to allow thorough visiting of schools.

Volume VIII is a report of juvenile delinquency and its relation to employment; Volume IX, a history of women in industry, by Miss Sumner; Volume X, a history of women in trade unions, by Messrs. John B. Andrews and W. D. P. Bliss. Volume XI, on the employment of women in the metal trades, is essentially a study of accidents to machine operators, based on an investigation of 246 factories in 13 states. Volume XII, on women's employment in laundries, is primarily a study of the reaction on health from laundry occupations. The investigation was carried on in five cities, in 315 laundries employing over 6000 employees, more than 80 per cent of whom were women. Volume XV is a report on the relation between occupations and criminality of women, and Volume XVI, a report on family budgets of typical cotton mill operatives. The last two have been issued too recently to be reported on at present. Volumes in preparation deal with employment of women and infant mortality, causes

of death among women and child cotton mill operatives, hook-worm disease among cotton mill operatives, employment of women and children in selected industries, and labor legislation and factory conditions.

In spite of its breadth the survey is detailed, even intimate. Inaccuracy on some points is admitted, notably on the ages of children at work and on annual family income. Statements are cautious and the temper of the report appears fair. Different parts vary in excellence, but the general level is high. The report is eminently readable and contains some passages of vivid description and penetrating analysis.

From the varied material presented, little can be selected for notice. The investigation has, in general, confirmed and supplemented the results of recent surveys. That women's employment depends on industrial environment and race influence rather than on the specific character of the occupation, is indicated by the very different proportion of women to men in the same industry in different localities. Men predominate, for instance, in New Jersey, as silk weavers and warpers, while women predominate in these occupations in Pennsylvania (IV, 55). It should be noted, however, as regards the occupations cited from the silk industry, that they generally demand less skill in Pennsylvania, where the silks manufactured are of the plainer sort.

The investigation constitutes additional evidence that women and men are so seldom employed in the same occupation that their wages are practically fixed in different markets. Immaturity, consequent specialization in unskilled occupations, brief industrial careers, and the unorganized character of their labor are the causes of women's low wage level conspicuously evident in this survey. The social and industrial inefficiency due to this wage level is made vividly apparent.

The youth of the typical woman wage-earner is one of the most striking impressions conveyed by the report. In the southern textile establishments visited, "the number of females at eighteen is much in excess of those of any other age" (I, 42); and 60.8 per cent of the females employed were under twenty-one. In New England the predominant age of women in this industry is twenty-one. In the Pennsylvania silk mills visited, 74.2 per cent of the females employed were under twenty-one, 51.7 per cent falling in the age group 16-20 (IV, 53). The bureau did not secure this information in the Paterson mills, but the New Jersey census of 1905 reports 33.9 per cent in



this group. More females employed in this industry are reported at sixteen than at any other age. Half the women investigated in the clothing industry were under twenty-one, while only about one fifth of the men in the industry fall in this age group. This industry shows "the fact common to industries in general, viz.: That women are employed with much older men. To the extent that they are in competitive occupations, women must be handicapped by their limited experience in industry" (II, 57). Plainly most wage-earning "women" are at an age when their surroundings play a large part in shaping moral and physical health.

"The pin-money girl" appears an insignificant figure. The great majority of the women studied who lived at home contributed their total earnings to the family fund. This is stated of 84.3 per cent of those in New York stores and 88.1 per cent of New York factory workers. These percentages were but slightly smaller in Chicago and St. Louis. "Taken as a whole it appears that the problems of wage-earning women with homes are as difficult as those which must be solved by the wage-earning women adrift" (V, 187). The report affords much evidence of the unity of the family income and of the importance of women's contributions to it in the groups studied.

The account of home work (II, ch. 5) outdoes the reports of private agencies in its recital of vicious conditions, though "in selecting from the cases found for purposes of illustration those picturing the worst conditions were not chosen." The bureau recommends abolition of home finishing, as impossible of regulation. "It is not claimed that all home finishing is done under unsanitary and revolting conditions, and yet the fact that it can be done under such conditions, and that much of it is so done, forces the conclusion that such a method of manufacture should be abolished in the interest of the public health" (II, 316). Along with the pin-money girl, another figure seems eliminated from informed discussion—the poor widow with a family to support to whom home finishing is a godsend. Such a widow "was not found among the home finishers. If she were a factor her poor children would starve, as the remuneration for this class of labor falls far short of supporting its most diligent and tireless workers."

The report presents interesting evidence of the large amount of child labor employed and of its relative decrease. Many factors appear influential—rapid industrial expansion, social ideals expressed in law and administration, family standards and incomes, and the character of schools. The report on the glass industry calls attention to

the possible effect of custom in perpetuating child labor when the substitution of machinery or of older workers is possible or even profitable. In some glass factories the mold is "so near the ground that only a small child could crouch beneath its handles, or the space reserved for the snapping-up boy was too limited for use by anyone but a small child." It has been found in many factories that "by raising the height of the mold and by opening up the working space, larger boys or even men can be employed with perfect satisfaction" (III, 201). On the substitution of "old men," fifty-five and over, for boys in glass factories, the report says: "The usual boy, in carrying in, rushes madly to the leer with his paddle full of bottles, dumps them in carelessly, and then spends several seconds straightening them up before he rushes back with almost the same speed to get a second load, frequently arriving before it is ready for him, in which case he utilizes the time by making a noise or by throwing bits of glass at the snap-up or the mold boy. The man, on the other hand, walks slowly to the leer, sets up his paddle full of bottles with care, and then walks as deliberately back to the shop, arriving usually just as the next load is ready for him. In other words much of the supposed agility, nimbleness and speed of the boy is nothing but waste effort, and interferes with rather than increases the rate of production" (III, 171).

On the moral, intellectual and physical dangers surrounding women's and children's employment, the report is extremely significant. Considering the nature of forthcoming volumes, detailed statement on this aspect of the investigation may better be postponed. It is clear that strenuous effort is needed for the solution of certain problems of factory sanitation and safety. Equally clear, and a sharper challenge to social compunction, is the evidence of failure to apply generally to these problems such knowledge as is available.

The whole survey testifies to serious social waste accompanying women and child labor. The devitalization of great numbers of the youth of each generation, needless risk from disease and accident, loss of moral and industrial strength entailed by a wage that denies reasonable life to thousands of women, wasted efficiency due to the haphazard way in which children drift into occupations regardless of ambition or fitness—these are shown to be general and to call for relief. Despite its relatively small scope, the study of children leaving school for work is one of the most important and suggestive parts of the report showing the waste due to social inertia.

The value of the report and its defects are both powerful arguments for such national activities as this and for such institutions as the new Children's Bureau. The government's resources and the official nature of its investigation have given peculiar scope and authority to its findings. Yet so constantly are these phenomena affected by market changes, immigration, legislation and voluntary effort that much of the report was obsolete by the time of its publication. The desirability of continuous rather than occasional effort on the part of the government to discover and publish the conditions to which its citizens are subjected by industrial circumstances could not be more strongly affirmed than by this notable survey.

EMILIE LOUISE WELLS.

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The National Child Labor Committee (105 East 22d St., N. Y.) has added to its list of pamphlets *Child Labor in Virginia*, by A. J. McKelway (No. 171, pp. 12). Since the federal investigation by the federal Bureau of Labor, Virginia has enacted an age limit of fourteen, exempting, however, children between twelve and fourteen of dependent parents. A special investigation has recently been made of cases where permits were granted and it is claimed that there was inadequate justification for granting such permits.

The *Report of the Commission to Investigate the Conditions of Working Women in Kentucky*, submitted to the Governor (Louisville, Mrs. R. P. Halleck, secretary, Dec., 1911, pp. 55), discusses sanitary conditions, wages and overtime, summarizes labor laws, and makes recommendations. In five industries employing 4664 women, the average wage was \$5.96 as compared with \$6.50 regarded as a necessary standard for subsistence in Louisville. Some attempt is made to classify wages. Bad sanitary conditions and sweating practices are shown to be common.

In connection with the wage disputes in the coal-mining industry the *Thirtieth Annual Coal Report of Illinois* for 1911 (Springfield, 1912, pp. 445) furnishes a large amount of statistical data systematically classified. Machine mining is increasing, and now produces 41 per cent of the total tonnage. Little improvement has been made in the accident record. The average price paid per gross ton for hand mining was \$0.627 as compared with \$0.597 in 1910.

A special committee of the House of Representatives has submitted

(March 9, 1912) a report on *Taylor and Other Systems of Shop Management* (H. R., No. 403, 62 Cong., 2 Sess., pp. 7). It is adverse to any legislation at this time. Standardization and systematizing is advocated, but "stop-watch time study" should not be made without consent of workmen. Over-stimulation is the factor most feared.

The subject of scientific management is considered in two federal documents: *Investigation of Taylor System of Shop Management, Hearing* May 1, 1911 (Washington, Com. on Labor, 1911, pp. 70); and *Report Amending H. R. 90 Authorizing Committee to Investigate Taylor System and Other Systems of Shop Management*, June 24, 1911 (H. Rept., No. 52; 62 Cong., 1 Sess., pp. 12).

The Virginia State Library has issued *Legislative Reference Lists 1912* (Richmond, 1911, pp. 70). Included are bibliographies on cold storage, convict labor, semi-monthly payment of wages, train-crews, and employers' liability.

The Iowa Employers' Liability Commission has published a small pamphlet giving a summary of *Workmen's Compensation Laws* recently enacted in ten states. (Des Moines, 1912, pp. 13.)

Michigan has added its contribution to the extending list of state reports on workmen's compensation. *The Report of the Employer's Liability and Workmen's Compensation Commission* (Lansing, 1911, pp. 152) covers familiar ground. This commission was more than usually successful in obtaining records of accidents and the costs of settlements as a basis for making recommendations. The report is supplemented by *A Special Message of Governor Osborn* of Michigan, Feb. 26, 1912, recommending legislation (Lansing, pp. 8).

With the growth of interest in questions of child labor and industrial accidents the proceedings of associations of public officials who have to deal with labor legislation increase in interest. Less space is given to rehearsal of familiar essays and more to concrete experience. This is seen in the *Proceedings of the Twenty-fifth Annual Convention of the International Association of Factory Inspectors* held at Lincoln, Nebraska, September 18-22, 1911. (W. W. Williams, secretary, 704 Fullerton Building, St. Louis, 1911, pp. 141.)

The Industrial Accident Board of California (907 Royal Insurance Building, San Francisco) has issued a brief summary of the *Roseberry Liability and Compensation Law* which became effective Sept. 1, 1911. It appears that since the new law went into opera-

tion liability insurance rates have been increased, due to the increased liability of the employer who no longer enjoys the old defenses which he could plead. Voluntary compensation schemes, however, are being established whereby, it is believed, the cost of compensation will not materially exceed that under the old system. The pamphlet clearly explains the meaning of the new law and answers objections.

The Committee on Industrial Relations (607 Kent Hall, 116th St., N. Y.) is circulating a series of pocket pamphlets in advocacy of the Hughes-Borah bill to create a federal commission on industrial relations.

A special committee of the Federal Council Commission of the Churches of Christ in America (215 Fourth Ave., N. Y.) has recently issued an interesting report on the *Industrial Situation at Muscatine, Iowa*. This city during the past year has suffered from a prolonged strike on the part of the button workers.

In the *Eleventh Annual Report of the Commissioner of Labor of New York* for 1911 (Albany, 1912, pp. 383), it is noted that it is extremely difficult to enforce the provisions of the labor laws relating to public works. The term "prevailing rate of wages" cannot be accurately defined, and the penalties are so drastic that great caution must be exercised in applying the law. Nor has the law reserving to American citizens the privilege of working on public work been enforced with success. Little heed has been paid by magistrates and public officials when notified of violations. The number of inspectors for enforcing the statutes relating to manufacturing in tenement houses is altogether too few. About four per cent of the factory workers were injured during the year. For the first time accidents in the prosecution of building and engineering work are reported, amounting to 15,000. The subject of industrial diseases receives special attention.

Apparently, if one may judge from the *First Annual Report of the Bureau of Labor of the Philippine Islands* (Manila, 1911, pp. 174), the labor problems of America are reproduced in about every detail in our eastern colonial possessions. The report discusses accidents, employment agencies, strikes, wages, migration of laborers, and prices affecting the cost of living.

Part IV of the *Hearings before the Employers' Liability and Workmen's Compensation Commission* (Washington, 1912, pp. 1115-

1473) contains an extended brief on legal aspects of workmen's compensation, by Carman F. Randolph.

Mr. Charles M. Cabot (95 Milk St., Boston) has recently issued a circular letter transmitting a statement relating to *Hours of Labor in the Steel Industry*, by John A. Fitch. It is noted that the Steel Corporation is engaged in eliminating seven-day work from its plants, but that the evils of a twelve-hour day are not adequately recognized. In this connection the Steel Corporation has published *Copies of Letters Received from Stockholders in Answer to the C. M. Cabot Circular Letter of March 26, 1912* (pp. 73).

Mr. Edward F. McSweeney has printed in pamphlet form his address before the Massachusetts State Board of Trade, Feb. 14, 1912, on *The Case Against the Minimum Wage*. The arguments are forcibly presented.

*The Third Annual Report on Labor Organizations*, for 1910, of the Bureau of Statistics of Massachusetts (Dec. 15, 1911, pp. xi, 56) contains a chart showing the percentage of trade-union members unemployed in Massachusetts, New York, and the United Kingdom, 1908-1910. Curves are brought into comparison. Indirectly the similarity of these curves testifies, on the whole, to the approximate accuracy of the data collected by the trade-unions.

The Emerson Company (30 Church St., New York) has published a valuable pamphlet entitled *Comparative Study of Wage and Bonus Systems* (pp. 27). Comparisons are made of six well-known bonus systems comprising the Halsey one-third system, Halsey one-half system, Rowan system, Taylor differential rate piece system, Gantt bonus system, and the Emerson bonus system. Diagrams illustrate the differences.

The Library of Congress has issued a *Select List of References on Employers' Liability and Workmen's Compensation* (Washington, 1911, pp. ix, 96). This continues the bibliographies published in 1906 and 1908. The annotation is quite complete.

The Labour Department of the British Board of Trade has published a *Report on the Accounts of Expenditure of Wage-Earning Women and Girls* (1912, pp. 96, 5d.). Expenditures are concerned with only thirty persons, but they have some value as they cover the weekly accounts for a whole year. Of the thirty, twenty-three lived at home. Weekly earnings ranged from 4s 10 1-4 d. to 28s. 10 3-4d.

*The Fourth Report of the Register of Boards of Conciliation and Investigation* issued by the Ministry of Labour of Canada (Ottawa, 1911, pp. 306) is of more than usual interest as it contains a review of the work accomplished under the Industrial Disputes Investigation Act of 1907 since its beginning; and it is hoped that this compilation may serve as a documentary reply to the many inquiries which the Department of Labour is constantly receiving in regard to the operation of this act. The total number of cases dealt with, 1907-1911, is 106. A threatened strike or lockout has been averted in 95 cases; in 10 cases there was a failure.

Reference has been made in the March and December (1911) numbers of the REVIEW to the inquiry of the British Board of Trade in regard to earnings and hours of labor. Another report has been issued, Volume VII, on *Railway Service in 1907* (London, Wyman, 1912, pp. xxix, 258). The classification and distribution into wage groups is to be commended as conforming to best statistical standards in handling wage statistics.

### Money, Prices, Credit and Banking

Mr. J. Howard Cowperthwait advocates in *Separate Reserve Associations* (New York, American News Company, 1911, pp. 44, 25c.) the establishment of a number of independent reserve associations in place of a single organization as proposed under the Aldrich plan. It is believed that popular objection to a concentration of control would thus be obviated, and that different sections of the country could adjust discount rates and requirements as to nature of security with less likelihood of disturbance. Washington as the headquarters of a national association is objected to as it is not the financial center, but "the hotbed of political activity." A favorable word is said in behalf of developing the National Currency Associations. The writer is in favor of permitting banks to make acceptances upon time bills, and of allowing them to count as legal reserve clearing house loan certificates to the extent of one half of the required reserve.

In the *Annual Report of the Superintendent of Banks of New York* (Albany, Dec. 31, 1911, pp. 320) special emphasis is laid upon the subject of examination. Returns from 41 states show that the cost of examination of state banks was 6.7 cents per thousand dollars of assets, and that the cost for national banks was 4.7 cents per thousand dollars.

The International Institute of Agriculture (Rome, Italy) has recently published in English two pamphlets on the Raffeisen system of rural corporation credit and its possible application to the United States. Letters by Mr. David Lubin are printed in response to inquiries made by the governor of Nebraska and the managing director of the Southern Commercial Congress.

The *Annual Report of the Postmaster General of the United States* for 1911 (Washington, 1912, pp. 39) notes the success of the postal savings system and advocates a parcel post and governmental operation of telegraph lines.

The "Banking Law Journal" (27 Thames St., N. Y.) has published a serviceable volume entitled *Governmental Supervision of Banking throughout the World* (1911, pp. 60, \$1.000). The summaries deal with commercial bank law, savings banks, trust companies, loaning provisions, and penalties.

*Hearings* in regard to a money trust held before the Committee on Rules have been published in two parts (No. 1, Jan. 26, 1912, pp. 44; No. 2, pp. 58). A previous document to be noted in this connection is *Hearings*, Dec. 15, 1911 (pp. 51), at which Mr. Lindbergh testified at length.

*The Laws, 1907, 1909, 1911, of Pennsylvania Relating to Corporations under the Supervision of the Banking Department* have been issued as a pamphlet supplementary to the *Digest* published in 1905. (Harrisburgh, 1911, pp. 63.)

The act whereby every investment company operating in Kansas comes under the supervision of the bank commissioner has been printed as a separate and may be obtained of the commissioner (Topeka, Kansas). By this law full statements must be made in regard to proposed plans of transacting business, including names of promoters and financial responsibility. Under this law, passed March 10, 1911, Kansas has already been freed from irresponsible promotion schemes.

In *Reform of the Currency*, Mr. J. N. Dolley of Kansas, in an address before the National Association of Supervisors of State Banks, Nov. 21, 1911, criticises the Aldrich plan on the ground that adequate provision has not been made for state banks. Advantages to state institutions have "been more or less grudgingly granted." In particular the restriction of membership to banks with a capital of



5,000 or over should be abandoned; of 889 state banks in Kansas, 657 have a less capital. The requirement of a combined capital of \$5,000,000 for a local association is also regarded as too large for the more thinly populated sections. The plan of election of officers of the national association is criticized; and voting power should not be based upon capitalization. (Topeka, 1911, pp. 23.)

From Australia has been received *Inquiry into the Cost of Living in Australia, 1910-11*, prepared by G. H. Knibbs of the Commonwealth Bureau of Census and Statistics (Melbourne, 1911, pp. 20). Data are based upon 212 budget books which were distributed for the purpose of records; the weekly account books contained 56 pages of schedules. About half of the returns were from families having incomes of £200 or less per annum. Food took 29 per cent, housing 14 per cent, clothing 13 per cent, food and light  $31\frac{1}{2}$  per cent. The analyses, showing conditions of families as to occupation, income, ownership of homes, comparisons with other countries, etc., are instructive as examples of statistical method.

### Public Finance

In *Combined Statement of the Receipts and Disbursements of the United States during the Fiscal Year, 1911* (Washington, Treasury Department, 1911, pp. 81), which contains the most detailed statement of the federal budget, a slight change has been introduced whereby the net payments from the Treasury by appropriations are stated (arranged by departments and bureaus) according to the particular years for the service of which the disbursement was made. Hitherto the disbursements for current and prior years have been shown in one figure for each object of appropriation.

Under date of December 16, 1911, the Commissioner of Internal Revenue decided that dividends paid by insurance companies are not deductible from gross revenue, either when paid in cash or when used to purchase paid up additions, or for other purposes connected with the insurance policy. The insurance companies by their officers and counsel represented through extended hearings that the dividends of mutual and participating insurance companies are not dividends in the commercial sense of the word but are simply refunds to the policy holders of the overcharge. The commissioner rules that this contention is not warranted, because, first, most companies are in a position to pay dividends in the commercial sense, and, second, whatever

may be the real character of the money refunded by the insurance companies, it is clear that Congress, in the special excise tax on corporations, had in mind the payments which the insurance companies themselves have been designating as dividends. The commissioner acknowledges that certain decisions of the state courts appear to lend color to the assertions of the insurance companies, but contends that the Corporation Tax statute, having been passed since the decision in question, must be construed in accordance with the ordinary meaning of the language used.

M. H. R.

The Committee on Ways and Means has submitted a series of reports recommending tariff changes. Among these are to be noted: (1) *Report on Schedule A, Chemicals, Oils, and Paints* (H. R., No. 326, 62 Cong., 2 Sess., Feb. 16, 1912, pp. 126) which assembles a large amount of data in regard to the industries affected. Appendices compare rates proposed under the reported bill (H. R. 20182) with those of the act of 1909; a "glossary" prepared by the Tariff Board, analyzing the act of 1909 by paragraphs and presenting a statistical survey of the industries affected with a comparison of tariff laws since 1883. This latter is of more than immediate interest, for the report in much detail explains the use of materials in the several branches of the chemical industries. The report by the Tariff Board has also been published separately (pp. 274).

(2) *Report to Reduce Duties on Metals and Manufactures of Metals* (H. R., No. 260, 62 Cong., 2 Sess., Jan. 25, 1912, pp. 98). An appendix shows tariff rates on metals and their manufactures in foreign countries. As a rule the rates proposed in the bill accompanying the report are higher than those levied by other nations.

(3) *Report to Reduce Duties on Wool and Manufactures of Wool* (H. R., No. 455, 62 Cong., 2 Sess., March 27, 1912, pp. 82). This report accompanies House bill 22,195, which is practically identical with House bill 11,019 passed last year and vetoed by the President, and is devoted to an analysis of the report of the Tariff Board. The views of the minority may be found on pp. 73-78. Each party to the controversy rests upon evidence presented by the Tariff Board.

There is ample evidence of the exhaustive investigation which is being made by the federal Commission on Economy and Efficiency in a series of reports which has recently appeared. Among these are to be noted *Report of the Commission, etc., Message from the Presi-*

dent (Sen. Doc., No. 293, 62 Cong., 2 Sess., Feb. 5, 1912, pp. 37); *Memorandum of Conclusions concerning Handling Correspondence* (Circular No. 21, 1912, pp. 36); *Report to the President on the Use of the Outline of Organization of the Government* (Circular No. 22, March, 1912, pp. 8); *Message of the President on Economy and Efficiency in Government Service* (House Doc., No. 458, 62 Cong., 2 Sess., Jan. 17, 1912, 2 vols.); and *Message* (same subject), communicated Apr. 4, 1912 (pp. 12).

The two volume message of Jan. 17, contains outlines of government of the different branches of public service. This is constructed on the loose-leaf principle. For the outlines of the government of the District of Columbia, details are added to indicate the serviceability of the plan.

The commission proposes that the distribution of public documents should be centralized in the office of the Superintendent of Documents of the Government Printing Office, instead of as at present by various departments and bureaus. A plan for this centralization is outlined. Much duplication of organization and work would be avoided, resulting in an annual saving of \$250,000. In another report, the commission estimates that a saving of \$250,000 a year may be effected through the use of "window" envelopes in the government service, saving the work of addressing letters.

The resolutions which were adopted by the second New York State Conference on Taxation have been printed (E. L. Heydecker, secretary, assistant tax commissioner, New York). The New York Tax Reform Association has also published an address delivered at this conference, by A. C. Pleydell, on *Taxation in New York* (pp. 8).

The New York Tax Reform Association has issued its *Twenty-first Annual Report* (A. C. Pleydell, secretary, 29 Broadway, N. Y., 1911, pp. 11). Tax reform during 1911 is regarded as most encouraging. Discussion by topics makes this a helpful aid to students of taxation.

Under date of Feb. 6, 1912, the Bureau of Statistics of Massachusetts issued a circular in regard to a recent amendment of the *Town Note Certification Act and the Incurrence of Debt*. The act prohibits towns from issuing demand notes, and defines the methods by which money may be borrowed.

The Insurance Department of New York has published a pamphlet

on *Fees and Taxes Charged New York Insurance Companies by Insurance Departments of Other States* (Albany, 1912, pp. 44).

The subject of licenses and fees charged in the regulation of passenger carrying vehicles in New York City is discussed in a special report made by the Commissioner of Accounts (N. Y., Jan. 23, 1912, pp. 29).

The Wisconsin State Board of Forestry has issued a report on *The Taxation of Forest Lands in Wisconsin* (Madison, Wis., 1911, pp. 80) in which it is noted that the common method of exempting wood lots from taxation for limited periods of time has been inconsequential in its results. It recommends a new policy whereby land may be entered with the State Board of Forestry to be classified for taxation. Land so classified is to be subject to certain regulations of the forestry board.

The *Third Report of the Joint Special Committee on the Taxation Laws of Rhode Island* recently presented (Providence, 1912, pp. 103) submits two plans, one providing for the taxation of corporate excess at a uniform rate, and the other for the taxation of gross earnings of public service corporations and the application of the corporate excess principle to all other corporations. The rate proposed on corporate excess and intangible personal property is 4 mills.

Part II of the *Annual Report of the Rhode Island Bureau of Industrial Statistics*, for 1911 presents the first report on the statistics of municipal finance of the cities and towns in Rhode Island. An attempt made the year before to secure the data for such a report by sending schedules to the municipal treasurers had failed; and the report issued has been prepared by the Commissioner of Industrial Statistics from the printed reports and statements of the local treasurers; in most cases for the fiscal year ending in 1910. The tables published show, for each of the six cities and thirty-two towns in the state, statistics of property valuations, tax rates, indebtedness, and current receipts and expenditures, classified according to the schedules of the United States Census Bureau.

In summarizing the results of this compilation, Commissioner Webb recognizes the lack of perfection, which could hardly be avoided in a work undertaken without any special appropriation and without any authority over the local accounts. But the data in the various local reports have been carefully collected and made available for comparison and study. The Commissioner recommends legislation

to aid in compiling similar reports in the future, and also asks for legislation regulating the borrowing of money by towns, similar to the certification of town notes recently established in Massachusetts.

J. A. F.

The Efficiency Division of the Civil Service Commission of Chicago has recently published *Charts of Organization of All Departments in the City of Chicago*, as in effect February, 1912. These indicate lines of authority and responsibility, titles, classification, grades, number, and salaries of positions, and the total number and compensation of the employees assigned to the various departments, such as the City Council, Department of Buildings, Board of Education, etc.

Of interest to the student of municipal finance is the *Thirty-Eighth Annual Report of the Commissioner of Accounts of the City of New York*, for 1910 (June 1, 1911, pp. 38). This officer has power not only of audit but of investigation.

The Pittsburg Civic Commission (324 Fourth Avenue) has issued a *Report on Expenditures of the Department of Charities* (1911, pp. 14). Tables show comparative costs in a number of large cities for relief, medical service, care of insane, and investigation.

In the *Report of the State Board of Equalization of Taxation of New Jersey* (Trenton, 1911), for 1911, classification of intangible property with specific rates is recommended.

The different methods of taxation in operation in British Columbia are discussed in *Synopsis of Report of the Royal Commission on Taxation* (Victoria, B. C., 1912). Recommendations are made affecting the income tax, assessment of real estate, the coal tax, succession duties, and the bank tax.

### Housing

Bulletin No. 88, published by Bureau of Statistics of Massachusetts, is devoted to the subject of *Homesteads for Workmen* (Boston, Jan., 1912, pp. 46). There is a compact account of the "character and scope of the principal projects for housing working people" in Europe, Australasia, and America. It deals primarily with the building of suburban workmen's homes by state and municipality, but includes in a brief way for some countries state subsidization, loans, tax exemption, colonization of unemployed, and government land policies. The report is compiled almost exclusively from secondary

authorities, some of which are of doubtful value. In addition to the report, the bulletin comprises a statement of the history of the Homestead Commission of Massachusetts, its report of Jan. 10, 1912 and a bill "to extend and define the duties" of that commission. A ten page bibliography is included. J. F.

The Massachusetts Civic League (3 Joy St., Boston) has issued a leaflet on the housing problem, in which past legislation is briefly summarized and a new law proposed.

A Committee of the Albany Chamber of Commerce has recently submitted a report on *Moderate Cost Houses*. The need of homes for the working classes properly located near trolley lines stimulated this inquiry. The immediate problem is the construction of a home that would bring a fair return on investment at a monthly rental of \$18. Various plans are submitted.

The subject of housing is also treated in the "Civic Bulletin" of the Pittsburg Civic Commission (402 Keystone Building) for January, 1912. Emphasis is laid upon the necessity of revising the tax laws so that the tax rate on buildings shall be only half of the rate on land. The report is based on statistical data.

In New York a bill to carry out a similar proposal was the subject of discussion at the recent legislative session. The Merchants' Association of New York City referred the matter to a committee composed of Professor J. F. Johnson, Professor Seligman, and former comptroller H. A. Metz. This report, published in "Greater New York," issue of March 4, 1912 (54 Lafayette St., N. Y.), is adverse. Though land values would be reduced (probably about ten per cent), it would place a premium on the erection of tall buildings and cheap tenement houses in the crowded parts of the city. It would be unjust to present owners of land; it does not take account of improvements which have become part of the land; it would lessen municipal revenue, and lower the debt limit of the city.

### Demography

In *Mortality Statistics: 1910*, published by the Bureau of the Census as Bulletin 109 (Washington, 1912, pp. 191), it is noted that three states, Minnesota, Montana, Utah have been added to the registration area, and for North Carolina municipalities with population of 1000 and over are for the first time included. This latter step is of interest as representing the first compilation by the Bureau of the

Census of vital statistics in the South. South Dakota has been withdrawn on account of defective returns. The population of the registration area has increased from 51.1 per cent to 58.3 per cent of the total. For this bulletin rates are furnished based on the new census of 1910. The death rate for 1910 was 15 per 1000 as compared with 14.4 in 1909. In presenting tables of causes of deaths the classification conforms for the first time to the second revision prepared by the International Commission of Revision in Paris in 1909. There is a special discussion of the most important causes of death of infants shown for the first seven days, first four weeks, and single months up to two years of age.

The *Proceedings of the First Wisconsin Country Life Conference*, held at Madison in February, 1911, have been published by the College of Agriculture (Madison, pp. 106). Of interest are the maps showing the nationality of rural population.

The Bureau of the Census has issued a Bulletin on *Center of Population* (pp. 8), in which care is taken to show the difference between center of population and center according to median lines.

Under date of Feb. 27, 1912 the Minister of Agriculture of Canada has issued *Area and Population, Special Report on the Fifth Census of Canada* (Ottawa, pp. 172). In the last census decade the rural population has increased 16.48 per cent, and the urban, 63.83 per cent. The report is published in French as well as in English.

Credit should be given for the improvement in recent years in the form of the *Annual Report of the Commissioner General of Immigration*, the last issue of which is for the fiscal year ended June 30, 1911 (Washington, 1912, pp. 263). The tables now show the numbers of arriving and departing aliens and citizens, the aliens being subdivided into "emigrant" and "non-emigrant," and "immigrant" and "non-immigrant" aliens. This latter classification is based upon the stated intention of the alien as to whether his residence here or abroad is to be temporary or permanent. It is a question how far such a distinction is valuable; for there is no certainty that an alien will stick to his intention, and one result of making the division is a tendency to disregard the "non-immigrant aliens" altogether in speaking of the size of the total immigration. The effects of large numbers of aliens upon the community may be very marked even if their residence is only temporary.

In the case of non-emigrant aliens departing, the sex, age and

length of residence in the United States is given for each race or people, as well as the country of intended future residence. These tables, which have been given in this form only recently, are intended to make possible a survey of the movement of any particular class of workers between any given foreign country and any state or section of the United States. Like all tables depending upon the statements of the aliens themselves, these are subject to considerable error. This is especially true of the destination in this country, as many aliens give the port of entry as their destination and only decide where to go after landing.

Special mention should be made of the discussion (pp. 4-7) of the question of the distribution of aliens. Many writers and speakers assume that proper distribution of aliens would cause the immigration problem to disappear. The Commissioner General's exposition of the practical difficulties of effecting distribution, and of the limits of its usefulness, is the best we have seen.

P. F. H.

The Agricultural Experiment Station of the University of Wisconsin, in its *Circular of Information*, No. 29 (Jan., 1912), gives some information in regard to "A Method of Making a Social Survey of a Rural Community," by C. J. Galpin. Facsimiles of schedule blanks are reproduced. It is stated that the information called for on these schedules will be gladly given by someone in the home. Such confidence is of interest as showing the difference in the social organization in the East and in the West. It may be doubted whether such schedules could be adequately filled out in a New England country township.

The *Thirty-Eighth Report of the Bureau of Industrial Statistics of Pennsylvania*, for 1910 (Harrisburgh, 1911, pp. 477), contains a valuable detailed study of property holding of negroes in Pennsylvania, by Richard R. Wright, Jr., editor of the "Christian Recorder," official organ of the African Methodist Episcopal Church of America. (Pp. 54-108.)

The American Unitarian Association has recently issued *Knowing One's Own Community*, by Carol Aronovici (Boston, 1911, pp. 97). This contains suggestions for a social survey of small cities or towns, serving to bring clearly into view the character of the population, industry, character of workmen, chances for permanent employment, social advantages, poverty, etc.

In a pamphlet published by the Bureau of Immigration and



Naturalization on *Distribution of Admitted Aliens and other Residents*, a report of proceedings of a conference held at Washington, Nov. 16-17, 1911, there is a considerable amount of information in regard to the characteristics of immigrants of different nationalities, of the demand for farm labor, and methods of agencies for distributing laborers into agricultural sections. (Washington, 1912, pp. 115.)

Of special interest and value is the *First Annual Report of the Bureau of Industries and Immigration* of New York, for 1911 (Albany, 1912, pp. 184), prepared by Miss Frances A. Kellor. The report is a model in arrangement and interpretation. Among the subjects discussed are distribution of labor, transportation, living conditions, savings, and assimilation of immigrants. An appreciative notice may be found in "The Nation," for March 28, 1912.

No. 59 of the *Publications of the Immigration League* (11 Pemberton Square, Boston, pp. 9) presents a convenient summary of immigration statistics for 1911 based upon the report of the Commissioner General of Immigration.

## PERIODICALS

The REVIEW is indebted to Robert F. Foerster for abstracts of articles in Italian periodicals, and to R. S. Saby for abstracts of articles in Danish and Swedish periodicals.

### Theory

(Abstracts by W. M. Adriance)

AMOROSO, L. *Le teoria matematica del monopolio trattata geometricamente*. Giorn. d. Econ., Aug., 1911.

A mathematical statement of the monopolist's possible influence on prices. A more exact presentation of an abstract situation is sought than Cournot gave, yet no pretence is made to show what actually happens in the world.

ATKINSON, M. *Domestic life and the consumption of wealth*. Sociol. Rev., Jan., 1912. Pp. 11.

Holds that the study of family budgets should be an integral part of economics and sociology. Cites methods of Le Play.

FEILBOGEN. *L'école autrichienne d'économie politique*. Journ. des Econ., Jan. 15, Mar. 15, 1912. Pp. 4, 13.

This interesting account of the Austrian school is taken up again after an interval of three months. (The other articles were published in July, August, and September, 1911.) The present instalments deal with the disciples of Karl Menger, and with the work of Boehm-Bawerk.

JARACH, C. *Appunti sulla teoria della speculazione*. Rif. Soc. (supplement), Jan.-Feb., 1912.

A study of the economic effects of speculative purchase or sale.

KLEENE, G. A. *The income of capital*. Quart. Journ. Econ., Feb., 1912. Pp. 27.

This article, after giving the *coup de grace* to several current theories of interest, essays, in outline, a comprehensive theory of distribution. It should call forth a rejoinder from some of the younger men—if not from the leaders—who acknowledge their indebtedness to the Austrian school.

LOCH, C. S. *The main line of thought in sociology*. Char. Organ Rev., Dec., 1911. Pp. 18.

Traces the history of sociological thought as explanatory of what sociology is.

MURRAY, R. A. *Economia matematica ed economia statistico-induttiva*. Giorn. d. Econ., Nov., 1911.

MURRAY, R. A. *La "causa" del valore e la teorica dell' equilibrio economico*. Riv. Ital. di Sociologia, Nov.-Dec., 1911.

Prices are to be studied essentially as mathematical relations. In-

quiry into the "cause" or "causes" of value is a fruitless invasion of the field of philosophy.

NEURATH, O. *Nationalökonomie und Wertlehre, eine systematische Untersuchung*. Zeitschr. f. Volkswirtsch., XX, 1, 2, 1911. Pp. 61.

The author's purpose is to outline the relations between the value theory and the theory of wealth—Ricardo's issue of value and riches. The latter he conceives to be the true subject of economics. In elaborate and somewhat mystifying tables he tries to symbolize the problems presented by the combination and distribution of pleasure and pain in various ways. His psychology seems to be frankly hedonistic. He concludes that a sound theory of value must concern itself with total pleasure, or with pleasures viewed as parts of a whole system, rather than with particular gratifications. F. A. F.

VOIGT, A. *Wirtschaftliche Gesetze und Naturgesetze*. Zeitschr. f. Socialwis. Jan., 1912. Pp. 4.

Voigt reiterates his thesis (cf. American Economic Review, Dec., 1911, p. 920) that law reflects the facts of economic life. He thinks that Diehl and others have fallen into error through the use of one term in several senses.

WHITING, F. J. *The political economy of American courts*. Stone & Webster Pub. Serv. Journ., Mar., 1912. Pp. 5.

Urges against certain of our courts the somewhat unusual indictment that they are forgetting the sacrosanct character of capital and profits.

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*Seminar methods of economic instruction: A symposium*. Journ. Pol. Econ., Feb., 1912. Pp. 26.

Papers presented at the second conference on the teaching of economics, held at the University of Chicago, 1911. "The seminar: Its advantages and limitations," E. R. A. Seligman; "The conduct of a seminar in economics," F. W. Taussig; "The economic seminar," J. L. Laughlin; "Graduate instruction in political economy," J. H. Hollander.

## Economic Geography

(Abstracts by E. V. D. Robinson)

ARMSBY, H. P. *The conservation of the food-supply*. Pop. Sci. Mo., Nov., 1911.

In future, grains must be more and more reserved for people, live stock being fed on other foods; hence the importance of exhaustive experiments to ascertain their food values.

BELLET, D. *Les transformations de l'industrie beurrière*. L'Econ. Franç., Aug. 5, 1911.

Brief description of factory methods of butter making.

BISHOP, A. L. *The development of wheat production in Canada*. Bull. Am. Geog. Soc., Jan., 1912.

BULL, G. M. *The irrigation situation*. Engg. Rec., Feb. 24, 1912.

Brief analysis of the different plans used in financing irrigation projects.

CARONCINI, A. *L'ultima fase della industria della potassa in Germania*. Giorn. d. Econ., Sept., 1911.

Description and history of the potash industry in Germany, including an account of the law of 1910 which regulates, till 1925, the share of the various producers and the destination of the product.

CARTER, T. L. *Mining in Mexico. An estimate of present and future conditions*. Engg. Mag., Mar., 1912.

Exposition of advantages of Mexican mining laws over those of the United States. Map of physiographic provinces. Well written.

CHADWICK, C. N. *Conservation of state waters and forests*. Mo. Bull. N. Y. Chamber Commerce, Apr., 1912.

"The natural waters of the state of New York are the property of the people . . . . The theory that the rainfall, on its way to the sea, may be corraled by one person . . . . is neither good law nor good sense."

HULBERT, W. D. *Wanted: a new deal in the coal fields*. Outlook, Dec. 23, 1911.

A careful account of the Bering river coal fields, the character of the Cunningham claims, and the questions of policy involved.

JACKSON, E. R. *Forestry problems in the United States*. Sewanee Rev., Oct., 1911.

Conservation resembles practice of putting estates in trust so that only income may be used. Forest is being cut three times as fast as it grows. Less than three eighths of standing timber goes into manufactured product; nearly half is lost in the saw-mill alone. Necessary to regard forest property as a long-time investment rather than a short-time speculation. Only the government can do this.

KAY, G. F. *The Bering river coal field, Alaska*. Pop. Sci. Mo., Nov., 1911.

The coal will be expensive to mine and handle. The tonnage is, however, large (though estimates are unreliable), and the government should expedite the opening up of the field.

KOESTER, F. *Our national waste*. World's Work, Mar., 1912.

Annual preventable waste in the United States is over 1000 million dollars, or \$110 per capita.

MEMBERS OF THE FACULTY OF THE COLORADO SCHOOL OF MINES. *Scope and progress of the mining industry in Colorado*. Quart. of the Col. Sch. of Mines, Oct., 1910.

Contains little of direct economic interest.

MIGHILL, T. A. *The recent development of peat as a fuel*. Stone & Webster Pub. Serv. Journ., Nov., 1911.

Use of peat for power purposes has developed rapidly in last ten years. The lead has been taken by Sweden and Germany.

MITCHELL, G. E. *The potash search in America*. Rev. Rev., Jan., 1912.

Imports of potash have reached \$15,000,000 a year, have aggregated \$75,000,000 in the last 12 years, and at the present rate of increase will amount to \$425,000,000 in the next 12 years. Germany is the sole source of supply; the deposits there are monopolized, and extortionate prices are charged. For this reason, Congress has appropriated money for a systematic search for potash deposits in this country.

MULLER, R. *La géographie humaine, à propos de l'ouvrage de M. Jean Brunhes*. Rev. Sci. Pol., Nov.-Dec., 1911.

An extended analysis, indicating the topics treated and some of the principal conclusions. The work is described as the first adequate synthesis of the subject in French.

NEWCOMB, J. T. *Conservation by water power utilization*. Stone & Webster Pub. Serv. Journ., Dec., 1911.

The available water power of the United States is about 31,000,000; that developed only 6,000,000. Non-use of the rest means waste of fuel and is due to the lack of proper federal laws, because principal water power sites are either on public lands or on navigable rivers. At present only an uncertain permit is legal on public lands, and only a 50-year franchise, with no provision for renewal or compensation can be granted on navigable streams. Fault lies with Public Lands Committee, which is controlled by those favorable to turning water power sites over to private interests without conditions.

NEWELL, F. H. *Irrigation developments in the United States*. Eng. Rec., Dec. 16, 1911.

Excellent brief sketch of legislative history of irrigation, scope and provisions of the several acts.

PAYEN, E. *Les nouveaux bassins de minerais de fer en France*. L'Econ. Franç., Mar. 9, 1912.

The output of iron in France has increased from 2.4 million tons in 1877 to 5.4 in 1900, 7.3 in 1905, 11.8 in 1909. Meurthe-et-Moselle, where chief increase has taken place, now produces over 90 per cent of the total. Deposits have also been opened in Normandy and elsewhere. France now exports considerable ore.

PAYEN, E. *La production, la consommation et les prix des divers métaux durant les dix dernières années: cuivre et plomb*. L'Econ. Franç., Aug. 5, 1911.

A brief survey of the statistics with some forecast as to the future development of the industries. Production of copper especially shows signs of outrunning consumption.

PENROSE, A. F. *History of gold mining in the United States*. Pop. Sci. Mo., Feb., 1912.

A clear and well-written sketch.

RAFFALOVICH, A. *L'industrie électrique en Allemagne*. L'Econ. Franç., May 6, 1911.

The chemical and electrical industries are the most important branches of German manufactures; and the process of concentration has now gone so far that two huge combinations dominate the situation.

RAFFALOVICH, A. *La houille en Allemagne*. L'Econ. Franç., Mar. 16, 1912.

The Rhenish-Westphalian coal syndicate has felt the competition of independents in recent years, especially in 1911; but in Jan., 1912, Prussia, which has acquired important mines in the Ruhr valley, joined the syndicate, preferring profit on its coal to lower prices in the interest of the public welfare. Prices were at once advanced on all kinds of coal adding 46 million marks to the cost of fuel in Germany.

RAYMOND, R. W. *Japan's mining industry*. Oriental Rev., Mar., 1912.

Japan contains great quantities of low grade ores which were formerly not usable but now can be worked. Japan is third in list of copper-producing countries. The further development of Japan depends chiefly on minerals.

SELWYN-BROWN, A. *Development of the world's iron resources*. Engg. Mag., Nov., 1911.

Lavish estimates of amounts; purpose apparently is to demonstrate that "there will never be a scarcity of iron ores."

SHARPE, A. *The geography and economic development of British Central Africa*. Geog. Journ. (London), Jan., 1912.

Considerable areas between 6000 and 8000 feet above sea level have a European climate. The original export crop was coffee, but cotton and tobacco now lead. Tea and Ceará rubber are also being planted.

TORRALBAS, J. I. *Cartilla de agricultura intertropical*. Revista Bimestre Cubana, 1910-1912.

This ample study of the products of the soil in middle America, by a late professor at the National University of Cuba, is continued through a series of numbers of the Revista.

VON SCHON, H. *The most resourceful utilization of water powers. (State policies, and a plan for the best development.)* Engg. Mag., May, 1911.

Comparison based on statistics of 1870 and 1905 as to use of mechanical power showing a more than proportional increase, measured by value of output, workers and population. Present conditions as to water conservancy in this country and abroad with a plan for state control of private power enterprises.

WALLACE, C. F. *Development of water powers in navigable streams and within the public domain*. Stone & Webster Pub. Serv. Journ., Dec., 1911.

Development of water powers is now hindered by confusion of laws. Such enterprises are natural monopolies and should be granted indeterminate franchises by federal authority, with proper safeguards both for the public and the investors. The heavier the rental charge imposed on the company, the higher will be the price to the consumer. Double regulation (by federal and state governments) is objectionable. Of the state systems of control, those of Wisconsin and New York are the best.

WALLIS, B. C. *Measurement in economic geography, its principles and practice.* Geog. Journ. (London), Jan., 1912.

Crude statistics in millions of pounds sterling or in thousands of tons are not geographical; they are the raw materials which it is the business of the geographer to transmute into constant values which can be expressed much more simply—that is into comparative or ratio statements.

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*Sugar in Brazil.* Bull. Pan Am. Union, Feb., 1912.

The sharp rise in price of sugar in recent years indicates that supply is not increasing rapidly enough. Brazil is admirably suited by nature to cane culture, but the output has remained stationary for many years; a revival in improvement is clearly at hand.

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*The influence of forests on stream flow in the Merrimac river basin, New Hampshire and Massachusetts.* Engg. News, July 27, 1911.

Summary of report by Lieut. Col. Burr, U. S. A., embodied in H. Doc. 9, 62 Cong., 1 Sess. Author finds no evidence that deforestation or reforestation have materially affected the flow of the Merrimac river.

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*Resolutions adopted by the national irrigation congress, Dec. 9, 1911.* Engg. News., Dec. 21, 1911.

Practically the entire conservation program is embodied in these resolutions. They also cover many details of the national reclamation work.

## Agricultural Economics

(Abstracts by John Lee Coulter)

*Land values, size of farms, tenancy, etc.:*

BILLINGS, G. A. and BEAVERS, J. C. *Systems of farming in Central New Jersey.* Farmers Bull. 472 (U. S. Dept. of Agric.) 1911. Pp. 1.

A review of concrete experiences of farmers, covering several years and farms. Brief report on the tenant problem.

BOEHMKE, W. *What size enterprise is best suited to the farmer?* Deut. Landw. Presse. Nos. 91-96, 1911.

A careful analysis of advantages and disadvantages of different sizes of holdings with a comprehensive view of the problems of farm management.

BUCHMANN, L. *Agriculture in Bavaria.* Dip. & Con. Rpts. (London), No. 4798, 1911. Pp. 8.

A review of agricultural, rural, and urban population; ownership of farms vs. tenancy; and extent to which the government assists and encourages farmers.

ELLIS, L. W. *Farm land utilization and farm equipment.* Bull. Ohio Exp. Sta. No. 227. Pp. 50.

Results of a careful economic survey of the present utilization of land in farms, and investment and use of the equipment of the farms.

FOLEY, J. W. and SMITH, C. B. *A system of tenant farming and its results.* Farmers Bull. 437 (U. S. Dept. of Agric.) 1911. Pp. 18.

A careful field study.

HIBBARD, B. H. *Tenancy in the western states.* Quart. Journ. Econ., Feb. 1912. Pp. 14.

Third of series of articles on tenancy in different sections of the United States. Based on statistics collected by the Bureau of the Census in 1910.

KNIBBS, G. H. *Land tenure and settlement.* Yearbook Australia, 1910. Pp. 15.

Experience of the various states in purchasing lands, subdividing and reselling the same. Statistics showing the extent of the operations and laws under which that is accomplished.

KNIBBS, G. H. *Government loans to farmers.* Yearbook Australia, 1910. Pp. 8.

Review of extent to which different states have laws authorizing loans for securing and improving farms and the extent to which these laws have been taken advantage of.

RAEDER, R. *Creation of small holdings for agricultural laborers in Denmark.* Jour. Bd. Agric., No. 7, 1911. Pp. 4.

A careful review of how the central government assists laborers to become land owning farmers by lending money at low interest rates, secured by mortgages. Several years' experience is given.

TREDWELL, R. C. *Labor exchange for English agriculturists.* Daily Con. and Trade Repts. (U. S.), No. 273, 1911. Pp. 1.

Brief review showing to what extent government labor exchanges are being adapted to the needs of farmers and farm laborers.

TRIVETT, J. B. *Rural settlement.* Yearbook (New South Wales), 1909-10. Pp. 20.

Statistical review of land policy for 30 years, number and size of holdings, number of people interested and their activities.

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——— *Agricultural laborers: Report on wages and hours of labor.* Bd. of Trade (Gt. Brit.)

Concrete data showing present status and ten years' experience in typical sections of England and Wales.

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——— *Farms for sale or lease in Rhode Island.* Bull. 1, R. I. Conservation Comm., 1911. Pp. 1.

A careful compilation for the use of prospective lessees or vendees of farms.

*Organization movements among farmers, for insurance, credit, marketing, etc.; prices:*

ANDREWS, F. *Marketing grain and live stock in the Pacific coast region.* Dept. of Agric. (U. S.) Bu. of Statis. Bull. 89, Pp. 1.

Contains a detailed analysis of methods, costs and efficiency of present marketing system. Includes statement of quantity of products, source and destination with conclusions as to satisfaction or reverse.



COLLIEZ, A. *Les associations agricoles entre les Européens et les indigènes.* Mus. Soc. Mém., Jan., 1912. Pp. 18.

A careful review of the need for development of and present status of various kinds of associations; a few statistics, but largely devoted to details of legal regulations, farms, and economic forces.

COULTER, J. L. *The coöperative farmer.* World's Work. Nov., 1911. Pp. 4.

Brief review of the present coöperative activity among American farmers.

DEYOUNG, D. P. *Coöperative agriculture in Holland.* Daily Cons. & Trade Repts. (U. S.), No. 206, 1911. Pp. 2.

Present application of coöperation as compared with decade ago; extent, influences and tendencies.

GAULIN, A. *Coöperative societies in France.* Daily Cons. and Trade Repts., No. 93, 1912. Pp. 6.

Brief review of number of coöperative societies, their scope, character and amount of business, etc.

TAYLOR, H. C. *The prices of farm products.* Bull. 209. Wisc. Exp. Sta., 1911. Pp. 27.

Critical study of influences back of supply and demand which affect prices, illustrated by movement of prices of eggs, corn, etc.

TODD, S. E. *Agricultural coöperation.* Bull. 192. Agric. Dept. Ontario, 1911. Pp. 1.

Reviews rise and present status of coöperation among farmers.

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Marketing and transportation of agricultural products. Bull. 23. N. Y. Dept. of Agric., Pp. 12.

Report presented to the seventy-first annual meeting with discussion and addresses.

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*Ann. Rept. Eng. Agric. Organ. Soc.*, 1910. Pp. 1.

Review of year's activity of central coöperative bank, central coöperative insurance and other coöperative activities.

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*Ann. Rept. Irish Agric. Organ. Soc.*, 1910. Pp. 1.

Survey of year's activities with critical analysis of forces which work for success and failure and status at close of year.

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*Mutual agricultural insurance, credit, and cooperative societies in France.* Bull. Mens. Off. Renseig. Agric. (Paris), 1911. Pp. 37.

Statistical and descriptive, showing present status and effect of mutual associations and recounting their origin and growth.

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*Agricultural coöperative societies in Germany.* Dipl. and Cons. Repts. (London), No. 4773, 1911. Pp. 2.

Present status of the movement in Germany, showing number, volume, etc.

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*Agriculture in Russia.* Dipl. and Cons. Repts. (London), No. 4781, 1911. Pp. 2.

A statement of the extent to which local and central governments

of Russia are aiding the peasants to advance. Covers economic phases, such as coöperation, credit, land-ownership, etc.

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*Coöperation and cost of living in certain foreign countries.*

H. Doc. 617, March, 1912. Pp. 245.

A large amount of data and views collected by the Department of State through the consular offices.

## Railways

(Abstracts by Ernest R. Dewsnup)

AMOROSO, L. *Le condizioni e i risultati finanziari dell'esercizio ferroviario di Stato.* Giorn. d. Econ., Dec., 1911.

Concluding article of a review, not unfavorable, of the management of the railways of Italy by the state. Recommendations for improvement of the service are made.

BAILLY, E. C. *The legal basis of rate regulation. Fair return on the value employed for public service. II.* Columbia Law Rev., Nov., 1911. Pp. 22.

The market rate of return upon equally hazardous investments is determinative of what constitutes a fair rate of return.

BAKER, J. N. *The limitation of state control over the regulation of rates.* Yale Law Journ., Dec., 1911. Pp. 15.

Approves the decision of Judge Sanborn in the Minnesota rate case.

BALTZER. *Die Eisenbahnen in den deutschen Schutzgebieten.* Archiv. f. Eisenbahnw., Mar.-Apr., 1912. Pp. 30.

Mileage, traffic and operating statistics of railways in the African possessions of Germany.

BIGGAR, E. B. *Canada's transportation problem.* Can. Engr., Jan. 25, 1912. Pp. 1½.

BIKLE, H. W. *Jurisdiction of certain cases arising under the Interstate Commerce Act.* Univ. of Pa. Law Rev., Oct., 1911.

Jurisdiction in matters of reasonableness of existing rates or practices is final.

BLOCH, T. *Zum Postwesen der alten Perser und Inder.* Wörter und Sachen, III, 1, 1911.

BROWN, W. P. *Why steamboat traffic declined before the railway.* Ry. Age Gaz., Jan. 12, 1912. Pp. 4.

The decline took place not because the railway of the time was so superior an instrument of transportation, but largely because the organization and methods of operation of the river service were poor.

COOKE, F. H. *The use and the abuse of the commerce clause.* Mich. Law Rev., Dec., 1911. Pp. 15.

The power of legislation allowed to Congress under the commerce clause is a superfluous power of legislating on matters as to which ample power has been reserved to the states.

COQUET, E. *L'organisation administrative et financière des chemins de fer de l'Etat*. Rev. Sci. légis. Finan., Oct.-Dec., 1911. Pp. 50.

Significance of sections of the budgetary law of July 13th, 1911, which refer to the administrative and financial control of the state railways.

DAVIS, J. C. *The relation of railroads as common carriers to the state and federal governments*. Journ. W. Soc. of Engrs., Jan., 1912. Pp. 21.

Brief sketch of the development of government control in the United States, with some reference to Judge Sanborn's decision in the Minnesota rate case.

DIXON, F. H. *The trend of railway earnings*. Ry. Age. Gaz., Dec. 29, 1911. Pp. 2½.

The situation is improving but is yet far from satisfactory.

ECKARDT. *Canadian Pacific Railway*. Independent, Dec. 21, 1911. Pp. 6½.

An appreciation of the development and policy of this railway.

EVERSMAN, A. *Die Canadische Ueberlandbahn und ihre wirtschaftliche Bedeutung*. Archiv. f. Eisenbahnw., Mar.-Apr., 1912. Pp. 36.

The first part of an historical treatment of the Canadian Pacific Railway, with reference to its steamship interests.

FRITCH, L. C. *Opportunities for economy on railways—stationery and printing*. Ry. Age. Gaz., Feb. 2, 1912. Pp. 2.

During 1909, the railways of the United States spent \$16,500,000 for stationery and printing.

FRITCH, L. C. *Opportunities for economy on railways; personal injuries, loss and damage*. Ry. Age. Gaz., Apr. 12, 1912. Pp. 3½.

Discusses methods of reducing the \$57,000,000, or so, that the railways of the United States pay out annually under these heads.

GAINES, M. W. *A living rate for the railways*. Ry. Age. Gaz., Jan. 5, 1912. Pp. 3½.

Low rates have forced the railways from extensive into intensive development in order to reduce the cost of haul. Rates are too low, and regulation is tending to force the railways into a state of inertia.

GLEASON, A. H. *Cable rate for common use*. World's Work, Feb., 1912. Pp. 6.

HOLCOMBE, A. N. *The first decade of the Swiss federal railways*. Quart. Journ. Econ., Feb., 1912. Pp. 22.

Government management of the Swiss railways has resulted in reduction of rates, increase of wages, improvement of service, and in net revenues sufficient to cover, over the eight years, 1902-10, interest and amortization charges.

HUTCHINS, F. L. *The railway problem: Capitalisation and regulation. Deductions from unit costs of twenty American roads*. Engg. Mag., Feb. 1912. Pp. 11.

A comparison of unit costs of selected railways.

JOHNSTON, R. H. *Library of the Bureau of Railway Economics. Special Libraries*, Jan. 1912. Pp. 4.

Deals with the organization and collecting policy of this library.

KIRCHHOFF, H. *Die vorläufige Neuordnung der preussischen Eisenbahnfinanzen und deren Rückwirkung auf die geplante Steuerreform*. Bank Archiv, 1911.

LESSE. *Wohlfahrtseinrichtungen der preussischhessischen Eisenbahngemeinschaft im Jahre 1910*. Archiv f. Eisenbahnw., Jan.-Feb. 1912. Pp. 75.

A very complete statistical exposition of the current status of the pension fund, sick fund, and accident insurance fund of the railway system named.

LEROY-BEAULIEU. *Les chemins de fer de l'Etat français; les causes de leur ruineuse et déplorable exploitation*. L'Econ. Franç., Dec. 30, 1911. Pp. 3½.

Under state-working (1909-10-11), the operating expenses of the western system have been so increased as to cut down the net revenue to less than one third of what it was during the preceding three years. State management has extravagantly increased the numbers of its administrative staff while at the same time unduly restricting the numbers of its operating forces. Present unsatisfactory conditions are not shouldered on the previous management: the state is alone to blame.

LEROY-BEAULIEU, P. *Le mouvement économique au Canada: les voies de communication: les chemins de fer*. L'Econ. Franç., Mar. 30, 1912. Pp. 2.

Deals mainly with the transcontinental railways: reference is also made to the geographical and economic advantages of the Winnipeg-Hudson Bay line, the funds for the construction of which have been voted by the Canadian Parliament.

VON DER LEYEN, A. *Der neueste Stand der Bundesgesetzgebung über das Eisenbahnwesen der Vereinigten Staaten von Amerika*. Archiv f. Eisenbahnw., Jan.-Feb. 1912. Pp. 39.

Explanation of the recent amendment of the interstate commerce law. Reference is also made to the Supreme Court decision on the "commodities" clause and to the decisions of the Interstate Commerce Commission in the rate-advance cases.

MARTIN, G. G. *Recent federal court decisions affecting state laws regulating freight and passenger rates*. Yale Law Journ., Dec., 1911. Pp. 9.

Attacks the decision in the Minnesota rate case. The policy of the federal courts in prorating railway earnings and expenses, between state and interstate business, on a revenue basis, is a vicious one.

NEAL, J. H. *Impressions of European traction*. Editorial Rev., Feb., 1912. Pp. 10.

Some general observations as to the conditions of street-car service in certain European cities.

NEIßE. *Reichsunfallfürsorgegesetz und Reichshaftpflichtgesetz*. Archiv f. Eisenbahnw. Jan.-Feb., 1912. Pp. 9.

An explanation of the bearing of the above legislation upon liability arising out of accidents and fatalities to railway officers.

OVERMANN. *Neuere Eisenbahnpolitik in Holland*. Archiv. f. Eisenbahnw., Jan.-Feb., 1912. Pp. 17.

In September, 1908, a royal commission was appointed to inquire into the existing organization of the railway system, and this body reported in May, 1911. A summary of the report is given. The commission refused to recommend the establishment of state-working by ten votes against five.

PAYNE, J. L. *Canadian railways in 1911*. Ry. Age Gaz., Feb. 9, 1912. Pp. 3.

A synopsis of the latest statistics of Canadian railways. Since 1907 there has been an increase of 141 per cent in dividends paid.

PERRY, E. W. *Transportation development and projects in Honduras*. Engg. Mag., Mar., 1912. Pp. 14.

POPE, C. C. *The sea-going railroad*. Stone & Webster Pub. Serv. Journ., Mar., 1912. Pp. 6.

An account of the celebrations at Key West upon the completion of the Florida East Coast Railway.

POWELL, T. C. *Different classes of competition resulting in the making of railroad freight rates*. Pro. St. Louis Ry. Club., Jan. 12, 1912. Pp. 10.

Discusses the effect upon freight rates of the competition of markets, carriers, and rival products, also of wagon and waterway carriage.

PROUTY, C. A. *The future of railway regulation*. Ry. Age Gaz., Apr. 5, 1912. Pp. 3.

(1) The constitution is likely to be amended so as to deprive the courts of all power to set aside legislative enactment dealing with private monopoly. (2) Five per cent is an adequate rate of dividend. (3) Where reduction of net revenue through increase of the rate of wage is the ground of a request for an advance in rates, the commission must be satisfied that the wage increase is necessary and just.

RIPLEY, W. Z. *Railway bonds and notes*. Ry. Age Gaz., Jan. 5, 1912. Pp. 3.

Discusses the considerations that need to be taken into account in issuing bonds. Special attention is given to financing by means of income bonds and notes.

RIPLEY, W. Z. *Collateral trust bonds*. Ry. Age Gaz., Jan. 12, 1912. Pp. 2.

The merits and demerits of this method of railway financing are presented.

RIPLEY, W. Z. *Minority shareholders in railroad combinations*. Quart. Journ. Econ., Feb., 1912. Pp. 4½.

Cites instances of overriding of interests of minority stock-holders by certain railways. Favors recommendations of the railroad securities commission as to acquisition of railway stock-holdings by other railways.

ROSS, W. L. *Railway regulation*. Ry. Age Gaz., Feb. 23, 1911. Pp. 1½.

Believes that traffic matters should be controlled by the national commission, not by state boards.

SMITH, M. H. *Industrial railways and unfair discrimination*. Ry. Age Gaz., Feb. 23, 1912.

Testimony of the president of the Louisville and Nashville R. R. to the effect that illegal allowances are being made to industrial railways.

STEARNS, R. B. *Discussion of report of committee on determining the proper basis for rates and fares*. Elec. Ry. Journ., Jan. 27, 1912. Pp. 2.

Advocates a zone-fare system for city street railways.

SWIFT, W. M. *Railroad operating expenses*. Moody's Mag., Apr., 1912. Pp. 6.

The higher operating expenses and reduced surplus available for dividends, since 1905, are chiefly due to investments of new capital beyond the amount justified by increase of business.

TRIPP, G. E. *Economic limitations upon the development of transportation by electric railways*. Elec. Ry. Journ., Jan. 27, 1912. Pp. 2.

Readjustment of the fixed five-cent fare and of the universal transfer is necessary to insure a fair return on present investment in city street-car lines.

VANAUKEN, A. M. *Preliminary investigation of new railway projects*. Ry. Age Gaz., Mar. 8, 1912. Pp. 3.

Tables, showing the percentages of the main elements of cost of construction, under various conditions, are given as a means of enabling the investor to form an idea of the reasonableness of the estimates of the cost of new lines.

WEEMS, C. *Transportation in Alaska*. World To-Day, Mar., 1912. Pp. 11.

————— *Effect of two-cent fares on passenger traffic and earnings*. Ry. Age Gaz., Mar. 8, 1912. Pp. 1.

The two-cent fare laws have retarded the growth of railway travel.

————— *"Express" business in the United States and Canada*. Scottish Bankers Mag., Apr., 1912. Pp. 5.

Describes the work of the American Express Company.

————— *Increases in rates of Milwaukee-Northern railway*. Elec. Ry. Journ., Feb. 24, 1912. Pp. 3.

The increases have had favorable effect upon net revenue.

————— *Present condition of the Italian state railways. I, II*. Economist, Nov. 4, Dec. 23, 1911. Pp. 1, 1¼.

The state working of the railways has been a gross financial and administrative failure. The real financial condition is hidden by manipulation of accounts. Free passes have become one of the most frequent methods of corruption in the hands of the government. As many as 776 special freight tariffs (1569 items) for the benefit of particular firms have been counted.

————— *Railway officers on the situation and outlook*. Ry. Age Gaz., Dec. 29, 1911. Pp. 8.

Replies indicate that: (1) the public is inclined to adopt a more favorable attitude towards the railways; (2) federal regulation of railway securities, and federal incorporation, would be viewed favorably by the railways; and (3) the year 1912, is likely to be a period of "marking time."

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*Railway statistics of various countries.* Archiv f. Eisenbahnw., Mar.-Apr., 1912.

Austria (1910), Bavaria (1910), India (1910), Prussia-Hesse (1910), Siam (1910-11).

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*Statistics of various railways.* Archiv f. Eisenbahnw., Jan.-Feb., 1912.

Austria (1908, 1909), Baden (1909, 1910), Federated Malay States (1909, 1910), Portugal (1905-1908), Saxony (1909, 1910), Servia (1909), Turkey (1909).

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*The state administration of public highways in the United States.* Engg. News, Mar. 28, 1912. Pp. 2½.

A condensed statement of the attitude of the various states to public highway improvement.

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*Die Güterbewegung auf deutschen Eisenbahnen und den deutschen Wasserstrassen im Jahre 1910 im Vergleich zu der in den Jahren 1907, 1908 und 1909.* Archiv f. Eisenbahnw., Jan.-Feb., 1912. Pp. 55.

The usual annual summary and comparison, 1910, witnessed a considerable increase of railway freight traffic over 1909. The railways and inland waterways carried respectively 395½ million and 76½ million metric tons in 1910, the figures for 1909 being 365½ and 73½.

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*Neue Eisenbahnbauten in Deutsch-Ostafrika.* Archiv f. Eisenbahnw., Mar.-Apr., 1912. Pp. 13.

The imperial law of December 12, 1911, authorizes certain extensions of the two railways of German East Africa. Details of the projects are given. It is interesting to note that one of the lines will connect Lake Tanganyika with the sea.

## Commerce and Industry

(Abstracts by H. S. Person)

ANSIAUX, M. *L'organisation des bourses de commerce aux Etats Unis.* Bull. Mensuel, Nov.-Dec., 1912. Pp. 7.

Apropos of Huebner's "The Functions of Produce Exchanges," *Annals*, Vol. xxxviii.

BASHTOLD, H. *Zur österreichischen Handelsgeschichte.* Viertelj. f. Soz. u. Wirtschaftsgesch., IX, 4, 1911. Pp. 10.

BORGATTA, G. *Produzione e commercio in Tripolitania.* Rif. Soc., Jan.-Feb., 1912.

DENBY, C. *Tobacco trade abroad.* Daily Cons. & Trade Repts., Feb. 9, 1912. Pp. 10.

ELLIOTT, C. B. *Philippine trade today*. Rev. Rev., Jan., 1912. Pp. 4.

Reasonably optimistic.

GIRETTI, E. *Le commerce extérieur de l'Italie en 1910*. Journ. des Econ., Dec. 15, 1911. Pp. 13.

Statistical study.

NEYMARCK, A. *Le commerce international et les valeurs mobilières*. Rev. Intern. du Com., Dec., 1911. Pp. 18.

The importance to France of French commerce, savings, and investments.

PATUREL, G. *Les industries française au début du XX<sup>e</sup> siècle*. Journ. des Econ., Feb. 15, 1912. Pp. 33.

The present status of the cotton industry in France; concluding an article begun in the October number of the same periodical.

REYNOLDS, F. W. *The development of the textile industries of the United States*. Journ. Am. Soc. of Mech. Engrs., Dec., 1911.

A general statement of present conditions throughout the country.

SCHULLER, R. *Handelspolitik und Handelsbilanz Oesterreich-Ungarns*. Zeitschr. f. Volkswirtsch., XXI, 1, 1912. Pp. 20.

STRINGHER, B. *Su la bilancia dei pagamenti fra l'Italia e l'estero*. Rif. Soc., Jan.-Feb., 1912.

An attempt, by the Director-General of the Banca d'Italia, to explain the continued and increasing excess of imports over exports in Italy.

WHELPLEY, J. D. *Germany's foreign trade*. Century, Feb., 1912.

————— *The Clyde and the shipping trade*. Scottish Bankers Mag., Jan., 1912. Pp. 6.

Historical.

————— *England's lead in the cotton trade and how it was gained*. Economist, Dec. 16, 1911.

## Accounting

(Abstracts by John Bauer)

BENTLEY, H. C. *Standardization of accounting forms and methods*. Journ. Account., Feb., Mar., 1912. Pp. 12, 21.

Discusses rather elementary matters aiming to secure uniform terminology and forms. Article two is a good discussion of the form and use of the condensed balance sheet for a mercantile concern.

CONRAD, C. *Bonds for government industrial plants*. Journ. Account., Oct., 1911.

Points out inefficiencies in the accountancy of government industries. In the costs of the post office department, for example, interest and depreciation are now entirely neglected; this would not be true if the post office properties were covered by a mortgage debt, which has been



effected as capital investment. Thus government industries would be placed upon entire self-supporting basis, as private industries.

DICKINSON, A. L. *The fallacy of including interest and rent as cost.* Journ. Account., Dec., 1911. Pp. 6.

Argues that receivers of interest and rent merely divide total profits of the business with receivers of dividends or owners of the business. Holds, therefore, that interest and rent should not be counted costs unless also ordinary dividends or interest on owners' capitals be so considered. In the latter case the difficulty is in deciding what rate to use.

EGGLESTON, D. C. *Municipal revenue accounts.* Journ. Account., Oct., Nov., 1911.

Shows that ordinary financial records of cities do not reflect the true condition correctly. Double entry bookkeeping systems should be adopted, with a careful classification of accounts.

EGGLESTON, D. C. *A municipal cost system.* Journ. Account., Dec., 1911. Pp. 11.

Gives cost data from several department accounts of a "large city." Several specific accounts are presented. No connected analysis is made. The article is suggestive; not very instructive.

FRANKLIN, B. A. *Cost figures for the executive.* Eng. Mag., Jan., Feb., Mar., 1912.

Discusses ideals of a cost system most serviceable to manager. A system should be connected with the business accounts, and should make possible ready comparisons from day to day, and period to period, both as to costs and financial conditions. Emphasizes the need of imagination on the part of the manager.

FRAZER, G. E. *The pro-rating of distribution expense to sales orders.* Journ. Account., Jan., 1912. Pp. 19.

Distribution expenses include (1) ordinary selling costs, (2) storing, packing, and delivering, (3) collection, (4) general indirect costs. Methods are described by which each class may be reasonably prorated to individual sales orders. Selling cost sheets should show the net profit realized from each order.

HALE, R. S. *Depreciation and reserve.* Rollins Mag., Apr., 1912. Pp. 5.

Better to make the rate of depreciation a percentage of gross earnings instead of percentage of investment.

STAUB, E. E. *Municipal cost accounts.* Journ. Account., Feb., 1912. Pp. 10.

Outlines and illustrates the advantages of proper cost-keeping in municipal departments.

VIERLING, F. *Accounting between life tenants and remaindermen.* Journ. Account., Jan., Feb., Mar., 1912. Pp. 20, 18, 12.

When property is devised to a trustee for the benefit of a life tenant and a remainderman, the income of the property belongs to the tenant

for life, while the property itself, or the capital, belongs to the remainderman. This article makes a clear and excellent classification of the points, many of which, however, are not in accord with modern accounting principles.

WEBER, A. F. *Treatment of depreciation and maintenance in Greater New York*. Elec. Ry. Journ., Apr. 6, 1912. Pp. 1.

A table showing the provision for depreciation and maintenance made by the different lines. The rate used by most lines is "cents per car-mile." It is not clear accounting to combine maintenance and depreciation.

————— *A form for annual reports prescribed by law in England*. Ry. Age Gaz., Apr. 5, 1912. Pp. 2.

WESTON, W. H. *Power plant cost data*. Eng., Mag., Jan., 1912.

Shows from experience the cost of installing and operating different classes of power plants. The figures are useful for standards of comparison.

YOUNG, J. P. *Accounting in antiquity*. Journ. Account., Nov., 1911.

Elaborate systems of accounting existed among Babylonians, Phoenicians, Greeks and Romans. An interesting and suggestive article.

### Corporations and Trusts

(Abstracts by M. H. Robinson)

BATCHELDER, C. C. *The character and powers of governmental regulation machinery*. Journ. Pol. Econ., Apr., 1912.

State regulation is a failure and federal supervision must be established. The holding corporation should be abolished.

BELL, H. *L'industrie du fer et de l'acier dans la Grande-Bretagne et le libre échange*. Journ. des Econ., Jan., 1911.

Strongly opposes the return to protection.

BURDICK, C. K. *The origin of the peculiar duties of public service companies*. II, III. Columbia Law Rev., Nov., Dec., 1911.

CARTER, G. H. A. *The Rhenish Westphalian coal syndicate*. Econ. Journ., Mar., 1912.

A glowing account of the "largest and most effective combination in Europe," its organization and working, and a forecast of its renewal in 1915 when the present agreement expires.

CHAMBERLIN, W. H. *Patented articles: when are they emancipated from the patent monopoly under which they are manufactured*. Illinois Law Rev. Jan., 1912.

Reviews the leading cases concerning restrictions on the sale and use of patented articles and concludes that the decision in the Button Fastener case was erroneous, and that it has led to an unwarranted extension of monopoly under the patent laws.

COOK, W. W. *Industrial democracy or monopoly*. McClure, Jan., 1912.

COOKE, F. H. *The right to engage in interstate transportation, etc.* Yale Law Journ., Jan., 1912.

DIEPENHORST, F. *Der gegenwärtige Stand der Kartellfrage in der deutschen Eisenindustrie. I, II.* Zeitschr. f. Socialwis., Jan., Feb., 1912.

German steel combinations have been short lived and in view of present critical conditions, it is an open question as yet whether the present *Kartelle* will be resumed at its expiration in June.

DE LEENER, G. *Antinomies entre le régime capitaliste de l'industrie et l'organisation des syndicats de producteurs.* Bull. Mensuel, Nov., Dec., 1911.

DE LEENER, G. *Sur les procédés d'élimination des petites entreprises industrielles par les grandes.* Bull. Mensuel, Nov., Dec., 1911.

A review of Geist's booklet on competition in the electrical industry with a discussion of the tendency toward physical concentration.

ESCHWEIG, L. *Trust-Patriotismus.* Die Bank, Mar., 1912.

Discusses the tendency toward consolidation in the manufacture of moving picture films and shows how the spirit of nationality is being aroused to support trusts in Germany, France and England.

FOULKE, W. D. *An interstate trade commission.* Journ. Pol. Econ., Apr., 1912.

Advocates plan for an interstate trade commission as proposed by a committee of the Civic Federation. Cites Canadian and German methods with approval.

HENEY, F. J. *The McNamara sentence justified.* Journ. Crim. Law & Criminology. Jan., 1912.

HICKS, F. C. *Competitive and monopoly price.* University of Cincinnati Studies, Vol. VII, No. 2, 1912. Pp. 34.

An essay on the aim and method of the Sherman Anti-Trust Law. Urges more definite legislation to regulate both competition and "excessive unity of action."

HOGG, J. E. *Tulk v. Moxhay and Chattels.* Law Quart. Rev., Jan., 1912.

The doctrine law laid down in *Tulk v. Moxhay*, originally referring to the uses of law, is being extended to chattels through a series of decisions under the patent law, of which the Button Fastener case is the most prominent. A late decision, *McGuether v. Pitcher*, holds that restrictions may be imposed only by the patentee.

HOENBLOWER, W. B. *Anti-trust legislation and litigation.* Columbia Law Rev., Dec., 1911.

JENES, J. W. *Economic aspects of the recent decisions of the United States Supreme Court on trusts.* Journ. Pol. Econ., Apr., 1912.

The government ought by legislation to prevent the existence of combinations and to provide such a supervision of their business methods that there shall be saved to the public their industrial efficiency, while also providing that their power should not be used against the public.

L., A. *Die Finanzgeschäfte des Fürstentrust.* Die Bank, Mar., 1912.

Chiefly financial,

LAUGHLIN, J. L. *Good and bad trusts.* World To-day, Jan., 1912.

Bad trusts caused by special privileges, good trusts by economies of operation. Guarantee free competition, and only the good trusts will survive. These should be regulated by a federal board of commissioners.

MEADE, E. S. *The economies of combination.* Journ. Pol. Econ., Apr., 1912.

Trusts have not only lowered prices, but have steadied them; but they have not yet shown themselves to be efficient business organizations. Disintegration may yet prove wise action.

MEESMANN. *Die Entwicklung der deutschen Eisen- und Stahl-Berufsgenossenschaften in 25 Jahre.* Stahl & Eisen, Jan. 4, 1912.

A statistical analysis of the progress of the iron and steel industry in Germany as shown by the records of the eight associations, with special reference to accidents and accident insurance.

PORRITT, E. *The United States steel corporation.* Quart. Rev., Jan., 1912.

Special attention is given to the attitude of the steel corporation to union labor; the tariff is also reviewed. Based upon government documents and the latest investigations.

RAYMOND, R. L. *The standard oil and tobacco cases.* Harvard Law Rev., Nov., 1911.

Holds that the court read the word "unreasonable" into the statute and that the subject of combinations has been bungled by the courts as a result of neglecting to consider them from the economic point of view.

RAYMOND, R. L. *Industrial combinations; existing law and suggested legislation.* Journ. Pol. Econ., Apr., 1912.

The suggested legislation is framed with the avowed purpose of preventing monopoly and unfair practices. No corporation may control more than 20 per cent of the natural supply and must sell to all at a uniform price.

RUSSELL, C. E. *The lumber trust.* World To-day, Mar., 1912.

The timber land frauds of Minnesota, the concentration of timber holdings, and the development of lumbermen's associations are described.

SEELAY, R. *Is there a lumber trust?* Editorial Rev., Feb., 1912.

Based upon the report of the Bureau of Corporations on the lumber industry. Lumbermen's organizations are necessary, but are not monopolistic in their operations. Scarcity is the cause of high prices in lumber.

SMALLEY, H. S. *Trust regulation and the courts.* Journ. Pol. Econ., Apr., 1912.

Advocates the administrative supervision of trusts, free from judicial review. Questions of administrative supervision are economic and not legal in nature. To permit judicial review would be a colossal blunder.

WICKERSHAM, G. W. *Enforcement of anti-trust law.* Century, Feb., 1912.

Argues that opposition to the Sherman Act comes either from those

who are interested in trade agreements or from those who are financially connected with illegal consolidations; the Sherman Act is needed to prevent monopolistic consolidations, all uncertainties connected with it can be avoided by a federal corporation act.

WICKERSHAM, G. W. *Recent interpretation of the Sherman Act*. Mich. Law Rev., Nov., 1911.

An historical review of the decisions under the Sherman Act, arriving at the conclusion that "the law will henceforth be used as a part of the running machinery of our political system, adapted to the needs of our social condition."

————— *Tobacco trust's plan*. Rev. Rev., Nov., 1911.

A short editorial resumé of the plan of disintegration and the views of the independents.

## Labor and Labor Organizations

(Abstracts by George F. Barnett.)

ALLSOPP, H. *The future of trade unionism*. Econ. Journ., Mar., 1912. Pp. 5.

The trust movement in British industry will force the English trade-unionists to federate or amalgamate their unions.

ASSOCIATION INTERNATIONALE POUR LA LUTTE CONTRE LE CHOMAGE. *Question du placement*. Bull. de l'Assoc. Intern. pour la Lutte contre le Chômage, Oct.-Dec., 1911. Pp. 205.

A series of papers describing employment bureaus in all the chief industrial countries.

BOWLEY, A. L. *Wages and mobility*. Econ. Journ., Mar., 1912. Pp. 6.

"Increased mobility of labor always tends to produce lower prices to consumer, or higher average wages, or higher profits, and may produce all three."

BROMBACHER, M. H. C. *The Rock Island Arsenal labor trouble*. Ir. Age, Feb. 1, 1912.

Critical discussion of the trouble and the attack on scientific management.

BURNS, W. J. *McNamara case*. McClure, Jan., 1912. Pp. 5.

CALDER, J. *The manufacturer and industrial safety*. City Club Bull. (Philadelphia), Jan. 24, 1912. Pp. 6.

Describes "legal, administrative and practical measures" by which, it is claimed, one third of all factory injuries may be prevented.

CHAPMAN, S. J. and MARQUIS, F. J. *The recruiting of the employing classes from the ranks of the wage-earners in the cotton industry. With discussion*. Journ. Royal Statist. Soc., Feb., 1912. Pp. 17.

Based chiefly on a letter of inquiry sent to a number of employers. The replies indicate that 60 per cent of the employers began as operatives or clerks. The paper also discusses the channel for the passage of labor to the employing class.

CLAWY, L., *Les accidents du travail*. Réf. Econ., Jan. 19, 1912.

CLAWY, C. *La retouche de la législation sur les accidents*. Réf. Econ., Feb. 16, 1912.

Discusses the reform of the French workmen's compensation law in various important particulars.

DORR, R. C. *The twentieth century child*. Hampton-Columbian, Jan., 1912.

Discusses the present status of child labor legislation in the United States.

DOUMERGUE, J. *La loi de dix heures*. Réf. Econ., Feb. 9, 1912.

Criticizes the proposed ten-hour law on the ground that a uniform length of working day is impracticable on account of differences in industries.

FITCH, J. A. *Workmen's compensation and pensions plan in the brewing industry*. Survey, Jan. 20, 1912. Pp. 2.

FITCH, J. A. *Steel and steel workers in six American states. V. The steel industry and the people in Colorado*. Survey, Feb. 3, 1912. Pp. 15.

GERARD, C. *Organisation et résultats du syndicalisme féminin aux Etats-Unis*. Mouv. Social, Jan. 15, 1912. Pp. 12.

Describes the National Women's Trade-Union League of America.

GLASER, F. *Arbeitskämpfe und Arbeiterbewegung in England. II. Soziale Praxis*, Feb. 22, 1912. Pp. 7.

Argues that the labor situation in England is marked primarily by the growing alienation of the laboring class from the middle and upper classes, and discusses the causes of the alienation.

GOMPERS, S. *The Lawrence strike*. Am. Federationist, Apr., 1912. Pp. 12.

Defends the attitude of the American Federation of Labor toward the Industrial Workers of the World in the strike.

GREENWOOD, J. J. *Trade-unions and the law*. Westminster Rev., Dec., 1911. Pp. 11.

In order to afford trade-unionism a free field for development by securing it from judicial interference, author favors enactment of a labor code which shall explicitly define the legal status of unions.

GRUNSPAN, A. *Ueber den Begriff der Arbeitslosigkeit*. Soziale Praxis, Feb. 29, 1912. Pp. 5.

An examination of the difficulties in defining "willingness to work," and "lack of work."

GUYOT, Y. *La grève des mineurs dans la Grande-Bretagne*. Journ. des Econ., Mar. 15, 1912. Pp. 24.

Recent English social legislation and the attitude of the ministry are responsible for the strike.

HANSON, W. C. *Attitude of Massachusetts manufacturers toward the health of their employees*. Bull. Bur. Lab., Sept., 1911. Pp. 13.

A critical study of the operation of the Worcester plan, under which

employers pay the expenses of tubercular employees at a sanatorium. The writer finds that very few employers entered into the plan, and that still fewer were willing to post notices advising their employees to be examined.

HAYMEN, J. *Le contrat de travail*. Rev. Intern. du Com., Dec., 1911.

Argues that a special law governing the labor contract such as has been proposed in France would be useless and harmful.

KEASBEY, E. Q. *The courts and the new social questions*. Green Bag, Mar., 1912. Pp. 14.

KENNADAY, P. *State intervention in strikes*. Survey, Mar. 16, 1912. Pp. 7.

Criticizes the New York State Board of Mediation and Arbitration and urges changes in law and management which will secure an impartial, speedy and efficient investigation.

KERSHAW, J. B. C. *Labour unrest in the United Kingdom*. Engg. Mag., Apr., 1912. Pp. 9.

An examination of the causes.

LAGARDELLE, H. *La formation du syndicalisme en France*. Mouv. Soc., Sept.-Oct., 1911. Pp. 25.

An historical sketch of the development of the syndicalist philosophy.

LAUCK, W. J. *Employees of the smelting and refining industries*. Min. Engg. World, Dec. 30, 1911.

Remarks on the races employed, the small per cent of native laborers, earnings and conditions.

LAUCK, W. J. *The significance of the situation at Lawrence*. Survey, Feb. 17, 1912. Pp. 3.

Comments on the racial composition of the population of Lawrence and the wages of the mill operatives.

Low, S. *Anti-strike legislation in Australasia*. Fortn. Rev., Apr., 1912.

The complete success of the Australian legislation is not yet assured, but experience indicates that the arbitration acts do furnish protection against a general strike.

MARTIN, J. *The industrial revolt at Lawrence*. Independent, Mar. 7, 1912. Pp. 5.

MATTUTAT, H. *Unfallhäufigkeit und Unfallverhütung*. Soz. Monatsh., Oct. 12, 1911. Pp. 7.

Urges that a systematic campaign of instruction among workmen will yield important results in decreasing the number of industrial accidents.

MERRITT, W. G. *Closed shop*. No. Am., Jan., 1912.

OEBENAUER, M. L. and CONYNGTON, M. *Employment of children in Maryland industries*. Bull. Bur. Lab., Sept., 1911. Pp. 22.

OEBENAUER, M. L. *Working hours, earnings, and duration of employment of women workers in selected industries of Maryland and of California*. Bull. Bur. Lab., Sept., 1911. Pp. 118.

PIERCE, W. S. *Government work shop management*. Ir. Age, Feb. 22, 1912.

Discusses the arsenal labor troubles from the official side.

PIC, P. *Les enseignements de quelques grèves récentes*. Rev. d'Econ. Polit., Jan.-Feb., 1912.

A review of recent French strikes and of proposed remedies.

PICARD, R. *Travail à domicile et salaire minimum. Conclusions d'une enquête*. Rev. Soc., Oct. 15, 1911. Pp. 15.

Based on inquiry of French labor office into home work. Discusses remedies in some detail, particularly establishment of legal minimum wage.

POLLIO. *Strikes and the Australian remedy*. Nat. Rev., Apr., 1912.

The New South Wales arbitration law could not be successfully adopted in England for two reasons: (1) the greater class consciousness of the English workman would militate against the acceptance of the awards, (2) the absence of a protective tariff would make it impracticable for the awards to really give a fair wage.

RENWICK, W. H. *The coal crisis*. Nineteenth Cent., Jan., 1912. Pp. 8.

Reasons impelling the miners to demand minimum wage and the objections of employers to granting the demand are outlined.

RICE, C. T. *Labor conditions at Calumet and Hecla*. Eng. & Min. Journ., Dec. 23, 1911.

Illustrated account of labor conditions.

RICHTER, A. W. *The Wisconsin workmen's compensation law sustained*. Journ. Pol. Econ., Feb., 1912.

ROBERT, J. *Woman and the wage question*. Rev. of Rev., Apr., 1912. Pp. 4.

A statement of the case for minimum wage boards.

ROBERTS, E. *The passing of the unskilled in Germany*. Scribner, Feb., 1912.

ROHLING. *The fixing of the wages and working hours of English railway employees by conciliation boards and arbitrators*. Bull. Int. Ry. Cong., Nov., 1911.

ROOSEVELT, T. *Conservation of womanhood and childhood*. Outlook, Dec. 23, 1911.

SAUNDERS, W. I.. *American and European wages and efficiency*. Ir. Age., Feb. 29, 1912.

Observations on a recent trip around the world. Germany is our most formidable competitor.

SNOWDEN, P. *Railway unrest—a socialist view*. Nat. Rev., Jan., 1912. Pp. 7.

"The agreement which has just been concluded gives no promise of a lasting peace."

SUMNER, M. B. *Railroad men and the English conciliation boards*. Survey, Jan. 20, 1912.

SUMNER, M. B. and PALMER, L. E. *Two strikes: A strike brought about*



*by a bundle of dirty linen. A strike for four loaves of bread.* Survey, Feb. 3, 1912. Pp. 13.

Brief impressionistic accounts of the New York laundry strike and the Lawrence textile strike.

THOMAS, J. E. *Changes in the Illinois mining law.* Ill. Law Rev., Jan., 1912.

Reviews the changes made by the act of 1911.

VERNEY, H. *Industrial accidents.* Transactions of the Manchester Statist. Soc., Session, 1910-1911.

WALKER, G. B. *The coal strike—and after.* Nineteenth Cent., Apr., 1912.

Lays stress on the increasing strength of German competition in the coal trade as a factor in limiting the possible increase in wages of the unions.

WAMBAUGH, E. *Workmen's compensation acts; their theory and their constitutionality.* Harvard Law Rev., Dec., 1911.

WILLIAMS, A. D. *Modern apprenticeship.* Sib. Journ. of Engg., Jan., 1912.

Critical discussion of systems.

WOODS, R. A. *The clod stirs.* Survey, Mar. 16, 1912. Pp. 4.

Behind the Lawrence strike is the "religious force of a world-wide awakening."

ZAMANSKI, J. *La crise du syndicalisme.* Mouv. Social, Feb. 15, 1912.

Syndicalism is weakening; the need is for a constructive form of labor organization.

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*The conspiracy against the molders' union.* Am. Federationist, Apr., 1912. Pp. 4.

Charges that the National Founders' Association was responsible for attacks on union molders during the Milwaukee strike in 1906.

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*Home work; a German act and a French bill.* World's Labour Laws, Feb., 1912. Pp. 4.

*The larger bearings of the McNamara case. A symposium.* Survey, Dec. 30, 1911.

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*New York street-cleaners' strike.* Am. Federationist, Feb., 1912. Pp. 6.

*Piece-work and bonus systems in interborough rapid transit company shops.* Elec. Ry. Journ., Apr. 6, 1912. Pp. 5.

Detailed description of the systems with price lists.

*Proceedings of the fifth annual meeting of the American Association for labor Legislation.* Am. Labor Leg. Rev., Feb., 1912. Pp. 170.

Papers on workmen's compensation, reporting industrial injuries, unemployment, and safety and health in the mining industry.

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*The railway labor situation.* Ry. Age Gaz., Feb. 2, 16, 1912.

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*Rest-day legislation in foreign countries.* Dept. Labor Bull. (N. Y.), Dec., 1911. Pp. 15.

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*The wage earners of Massachusetts.* Protectionist, Apr., 1912.  
Pp. 4.

Savings bank deposits and post office money orders indicate that the Lawrence operatives have been prosperous.

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*Die Bergarbeiterbewegung in Grossbritannien, Deutschland, und den Vereinigten Staaten.* Soziale Praxis, Mar. 7, 1912. Pp. 5.

Brief description of the recent wage disputes of the coal miners in three countries.

## Money, Prices, Credit and Banking

(Abstracts by Fred Rogers Fairchild)

ALLEN, W. H. *Solving a great financial problem.* Sewanee Rev., Jan., 1912.  
Pp. 21.

Attacks the Aldrich plan; denies that monetary stringency in New York is caused by crop-demands from the West. Our panics are due to adverse balance of trade and inability to meet foreign debts.

ALLEN, W. H. *Will Wall street control the central bank?* Moody's Mag., Mar., 1912. Pp. 6.

Answers the question in the affirmative.

ANDREW, A. P. *The relation of the National Reserve Association to the treasury.* Journ. Pol. Econ., Jan., 1912. Pp. 11.

Advantages in taking the United States government out of the banking business, especially in saving of expense to treasury.

ANGELL, N. *The influence of banking on international relations.* Discussion. Journ. Inst. Bankers, Feb., 1912. Pp. 33.

Modern nations are so dependent upon each other economically that wars of aggression for economic advantage have become futile.

ANGELL, N. *The influence of banking upon international relations.* Bankers' Mag., Apr., 1912. Pp. 18.

Same article reprinted.

BAILEY, F. *Waste in borrowing on real estate.* Rev. Rev., Jan., 1912. Pp. 5.

The unfavorable terms on which small house owners in America are compelled to borrow, with an argument for a national mortgage bank like the French Crédit Foncier.

BOLLES, A. S. *The Aldrich report.* No. Am., Mar., 1912. Pp. 9.

Criticizes the Aldrich plan, for failure to stop flow of reserves to New York, for unfair treatment of the government, and for other defects.

CAPEYRON, A. *Les conférences des caisses d'épargne et le congrès de Nantes.* Rev. Econ. de Bordeaux, Jan.-Feb., 1912. Pp. 12.

An account of the movement toward associations of savings banks in France; especially the Conférence de l'Ouest et du Sub-Ouest, its organization and aims, its work in encouraging saving.

COX, W. V. Z. *Defects in our banking system and remedies therefor*. Moody's Mag., Mar., 1912. Pp. 2.

In favor of banking plan of National Monetary Commission.

CRAICK, W. A. *The school savings bank system in Canada*. Banker's Mag., Mar., 1912. Pp. 4.

Legal status, form of organization, and history.

CRAWFORD, J. A. *Banking in Egypt*. Scottish Bankers' Mag., Jan., 1912. Pp. 14.

DOMERGUE, J. *Les abus du crédit agricole*. Réf. Econ., Jan. 12, 1912.

Not intended that funds devoted to agricultural credit should become a state subvention to shrewd capitalists. If this has resulted in practice, it is because of faulty administration, and the law should be amended to serve its original purpose.

DUNNING, J. E. *Cost of living in France*. Daily Con. & Trade Rep., Jan. 25, 1912. Pp. 4.

With statistics of prices and wages and discussion of habits of living.

ECKHARDT. *Bank note issues. How they benefit the public*. Bankers Mag., Jan., 1912. Pp. 3.

Advantages of Canadian branch bank system, especially in development of new territory.

ECKHARDT. *Canadian banking and commerce*. Bankers Mag., Mar., 1912. Pp. 6.

Review of the year 1911.

FEDERN, W. *Moderne Geldtheorie im oesterreichisch-ungarischen Bankprivilegium*. Schmoller's Jahrb., XXXV, 3. Pp. 343.

Discussion of the proposal to place upon the Austro-Hungarian bank the obligation of maintaining the parity of the foreign exchanges. This is a triumph of sound monetary theory; its meaning and importance.

FRAME, A. J. *A review of the proposed national reserve bank*. Journ. Pol. Econ., Jan., 1912. Pp. 8.

Criticism of the Aldrich plan, especially the loaning functions of the local associations, bank acceptances, the work of the branches, the failure to restrict reserve to gold, etc.

GIBSON, H. A. *Savings bank statistics*. Bankers' Mag. (London), Feb., 1912. Pp. 13.

A study of "operativity", i.e., the average number of deposits and withdrawals per account per annum, in the various classes of British savings banks. (The first of a series.)

GIBSON, A. H. *Savings bank statistics. II*. Bankers' Mag. (London), Apr., 1912. Pp. 11.

Formulation and statistical demonstration of the "reciprocal law," i.e., that "the number of depositors possessing a certain balance is proportional to the reciprocal of that balance." (To be continued.)

GUTHRIE, H. M. *Branch bank management*. Banker's Mag. (Australia), Nov., 1911.

HITCHCOCK, F. H. *The new postal savings banks*. Independent, Jan. 18, 1912. Pp. 4.

Brief description of the system and summary of its first year's operation.

HOOKE, R. H. *The course of prices at home and abroad*. Journ. Royal Statist. Soc., Dec., 1911. Pp. 50.

A thorough study, presenting the course of the index numbers for the United Kingdom, Germany, France, the United States, and Canada, reduced to a common basis. Some study of individual commodities and of wages. The production of gold and its relation to price changes.

HULBERT, E. D. *Some points in opposition to the Aldrich plan*. Journ. Pol. Econ., Jan., 1912. Pp. 8.

Aldrich plan will make possible unsound inflation and expansion of bank credit. Urges that its power be restricted to furnishing extra currency only in times of emergency.

KEMMERER, E. W. *The recent rise in the price of silver and some of its monetary consequences*. Quart. Journ. Econ., Feb., 1912. Pp. 60.

Price of silver, 1903-1908, shown by a chart. Discussion of causes of the increase, especially the demand for industrial and monetary uses. Influence of the rise in price upon the monetary systems of the Philippines, the Straits Settlements, Japan, and Mexico.

KINLEY, D. *The specie reserve in a banking system*. Journ. Pol. Econ., Jan., 1912. Pp. 13.

The principles that should govern the management of the specie reserve of the United States banking system. Favors the Aldrich plan.

KLEIN, J. J. *The development of mercantile instruments of credit in the United States. Parts IV, V, and VI*. Journ. Account., Dec., 1911, Jan., Feb., 1912. Pp. 14, 7, 11.

An exhaustive historical study. Part IV treats of bills and notes, days of grace, market quotations, drafts and acceptances, accommodation paper, etc., up to the Civil War. Part V covers the period of 1860 to 1873. Part VI, covering the period of 1873 to 1911, treats of the development of banking, forms of credit, the displacement of the inland bill of exchange, lending on open book accounts, etc. (To be continued.)

KNIFFIN, W. H. *The progress of the postal savings bank in the United States*. Bankers' Mag., Mar., 1912. Pp. 3.

Brief notes on its operation.

LANSBURGH, A. *Zur Verlängerung des Privilegs der Bank von Frankreich*. Die Bank, Dec., 1911. Pp. 13.

Discussion of proposed changes in charter of Bank of France, particularly the increased limit to note issue. The tendency to increase

the issue of notes not covered by gold is seen also in Germany, Austria, etc. Popular discussion regards only the evil effect on trade of the absolute increase of notes. Uncovered note issue ought to be used only in time of emergency. The English system is the correct one.

LANSBURGH, A. *Reservepolitik der Banken*. Die Bank, Feb., 1912. Pp. 11.

In January, 1912, a very low interest rate for short-time loans and export of gold prevailed in Germany, in connection with a lively demand for capital for investment. This apparent anomaly is explained by the reserve policy of the Reichsbank, which was strengthening its reserve for future demands and investing its cash in short-time loans and foreign exchange.

LANSBURGH, A. *Die deutsche Kommunalbank. II*. Die Bank, Feb., 1912. Pp. 8.

States the reasons against establishing in Germany a communal bank to furnish credit to the local governments, in particular the conflict of interest between the large cities and the small towns and country communes.

LESCURE, J. *L'accroissement de la production de l'or et la hausse générale des prix*. Rev. d'Econ. Polit., Nov.-Dec., 1911.

LYFORD, F. E. *A country banker's views on the National Reserve Association*. Moody's Mag., Apr., 1912. Pp. 6.

General argument in opposition. Fears domination of county banks by city banks, etc.

MACDONALD, R. A. *The rate of interest since 1884*. Journ. Royal Statist. Soc., Mar., 1912. Pp. 20.

Criticism of theories of the classical economists. Statistics showing rate of interest and growth of capital in the latter half of the nineteenth century. Concludes there is no essential connection between these phenomena.

MARESCHE, *Die italienischen Volksbanken*. Soz. Kultur, Jan., 1912. Pp. 2.

Historical development and present magnitude of people's banks in Italy.

MARTINDALE, J. B. *Business of a commercial bank*. Independent, Dec. 21, 1911. Pp. 4.

A brief popular statement of rules for sound banking.

MARTIN-SAINT-LEON, E. *Une crise économique: la vie chère*. Mouv. Soc., Nov., 1911. Pp. 24.

A study of the increase in cost of living since 1900. Gives little weight to gold production or social legislation. Studies the causes affecting particular articles of food. Bread, wine, fish, and fruit have not increased in price. For the increase in price of meats, butter, milk, eggs, sugar, vegetables, etc. the causes are increased consumption, insufficient production, tariff duties, and other restrictions on imports, high costs of transportation, too many middlemen. The

remedy must be removal of tariffs, high transportation costs, and other restrictions upon supply. Relates to France only.

NEDELJKOVITCH, M. *Etude sur les banques hypothécaires. Part II, The mortgage bank and commercial banking operations.* Rev. Intern. du Com., Dec., 1911. Pp. 40.

Refutation of the common idea that it is improper for a mortgage bank to engage also in regular commercial banking operations. Fluctuations and risks in land values. Causes leading mortgage banks to engage in commercial banking operations. Wisdom of this policy shown by many examples in various countries. Receiving of deposits, and employment of deposits, reserve, etc., in short-term commercial loans is proper. Great diversity in practice. Legal restrictions are unwise and have worked badly in practice.

ROBERTS, G. E. *The next reform.* Everybody's, Mar., 1912. Pp. 9.

Popular exposition of evils of present banking system and description of the Aldrich plan. Favors the plan.

SAUERBECK, A. *Prices of commodities in 1911.* Journ. Royal Statist. Soc., Mar., 1912. Pp. 14.

Prices and index numbers of 45 commodities. Tables and discussion.

SHAW, L. M., HAMBY, W. R. and FOWLER, C. N. *Some objections to the proposed National Reserve Association.* Banker's Mag., Mar., 1912. Pp. 19.

Mr. Shaw argues that the Reserve Association will be controlled by Wall Street; Mr. Hamby claims that it will produce inflation, will not serve the county bankers, and is generally defective; Mr. Fowler predicts that it will cause great inflation and expulsion of gold from the country.

SCHROTTER, F. F. *Das Münzwesen des Deutschen Reichs von 1500-1566.* Jahrb. f. Gesetzg. (Schmoller) No. 4, 1911. Pp. 44.

An elaborate historical study of the coinage legislation of the period, so far as it relates to the imperial coinage system. (To be continued.)

SELIGMAN, E. R. A. *Everybody's money.* Outlook, Dec. 30, 1912. Pp. 6.

A careful, elementary essay on the Aldrich banking plan; the defects of the present system; advantages of the proposed plan.

SPALDING, W. F. *Foreign branch banks in London.* Bankers' Mag., Feb., 1912. Pp. 17.

Reprinted from Journ. Int. Bankers (London). For abstract see AMERICAN ECONOMIC REVIEW, March, 1912.

SUBERCASEAUX, G. *La monnaie.* Rev. d'Econ. Intern., Oct., 1911.

TSUDA, N. *Designs of the old Japanese paper money.* Intern. Archiv. f. Ethnographie, Vol. XX, No. 3, 1911. Pp. 9, 4 plates.

A description of the designs on the Japanese paper money of the Tokugawa period, dating from the beginning of the seventeenth cen-

tury. The purpose is ethnographical, with little relation to monetary science.

VON TYSKA, C. *Die Bewegung der Preise einiger wichtiger Lebensmittel, insonderheit der Fleischspreise, in Deutschland und im Auslande, unter besonderer Berücksichtigung Englands.* Jahrb. f. Nat. Oek., Nov., 1911. Pp. 34.

A thorough study of changes in prices of various kinds of meat, both wholesale and retail, in Berlin and other German cities; also in London and certain other foreign cities. Numerous elaborate statistical tables and charts, covering various periods from 1881 to 1910. Shows that the increase in prices has been very great in Germany, and relatively small in England. Difference is due to respective tariff policies of the two nations. Remedy in Germany is removal of the tariff on meat and agricultural products.

WALL, A. *The Aldrich plan: A possible monetary gerrymander.* Journ. Pol. Econ., Jan., 1912. Pp. 8.

Criticises arrangement of districts and distribution of directors of the proposed Reserve Association. Control would be in a few hands, representing the Eastern and Middle Western States. Proposes a substitute plan based on present machinery of clearing houses.

WARBURG, P. M. *Circulating credits and bank acceptance.* Moody's Mag., Jan., 1912. Pp. 6.

An analysis of American banking system, showing inefficiency resulting from lack of a standardized discount market, an elastic note circulation, and a central agency for holding the country's cash reserve. Conclusion favors the Aldrich banking plan.

WILLIAMS, T. T. *The rate of discount and the price of consols.* Journ. Royal Statist. Soc., Mar., 1912. Pp. 21.

An elaborate statistical study, showing that (1) the market rate of discount tends to rise and fall with the prices of commodities and (2) that the prices of consols tend to fluctuate so that their yield follows the rate of discount.

WOLFE, O. H. *Collections and transits.* Journ. Am. Bankers' Assoc., Feb., 1912. Pp. 4.

A discussion of the technical problems of collecting out-of-town checks.

WOOD, E. F. *Juvenile savers.* Am. Bldg. Assoc. News, Feb., 1912. Pp. 6.

An account of the method of handling children's savings accounts in the building and loan associations of Ohio.

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*American bills of lading for cotton.* Scottish Bankers' Mag., Jan., 1912. Pp. 4.

Brief discussion of the fraudulent cotton bills of lading issued in America in 1910 and the measures taken to prevent a recurrence.

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*A \$680,000,000 philanthropic syndicate wanted to finance Mr. Lindbergh's "joker."* Banking Reform, Mar. 16, 1912. Pp. 2.

Answer to certain criticisms of the banking plan of the National Monetary Commission.

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*Canada's growth and the need for revising its bank act.*  
Bankers' Mag. (London), Mar., 1912. Pp. 5.

Discussion of proposed changes, particularly in relation to inspection of banks, loans in New York, use of savings deposits, surplus, requirement of Dominion notes in reserves.

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*The discount broker.* Scottish Bankers' Mag., Jan., 1912. Pp. 7.  
Sketch of the business of the London bill broker.

*Discussion on papers by Mr. Williams and Mr. Macdonald.*  
Journ. Royal Statist. Soc., Mar., 1912. Pp. 11.

For abstracts of the papers under discussion, see above.

*English building societies and their depositors.* Am. Bldg. Assoc. News, Mar., 1912. Pp. 3.

Points out that the recent failure of the unincorporated Birbeck Bank (England) does not imply any weakness in the incorporated building societies of England.

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*The gold supply.* Bankers' Mag. (London), Mar., 1912. Pp. 8.  
Distribution of the stock of gold among the leading nations.

*Immediate and ultimate effect on government bond prices under the provisions of the Aldrich bill as revised to date.* Bankers' Mag., Jan., 1912. Pp. 2.

A statement issued by C. F. Childs & Co. of Chicago, dealers in U. S. Government bonds.

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*Tenant farmers and a land bank scheme.* Bankers' Mag. (London), Apr., 1912. Pp. 12.

Statement and discussion of a plan for a land bank proposed by a committee of the (British) Board of Agriculture and Fisheries. Favorable comment.

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*West African currency.* Bankers' Mag. (London), Feb., 1912. Pp. 4.

Brief sketch of proposals for a colonial monetary system.

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*Istituti di emissione e banche popolari.* Nuova Antologia, Jan. 16, 1912.

A monograph upon the Italian financial institutions from 1893 to 1910, describing and praising their work. Urges inspection by the banks themselves.

## Public Finance

(Abstracts by C. C. Williamson)

ADAMS, C. F. *Pensions. III.* World's Work, Feb., 1912.

ALVIN, J. *The farmer's share of state taxes.* Country Gentleman, Mar. 23, 1912. Pp. 2.

An analysis of state budgets, especially of New York and Mary-



land, shows that while farmers pay a very large per cent of the taxes, appropriations directly benefiting them are very small.

ANTONY, A. *Le budget de l'Alsace-Lorraine. I.* Rev. Sci. Pol., Jan.-Feb., 1912. Pp. 15.

Discusses the extent to which real financial autonomy was granted to Alsace-Lorraine by the new constitution of 1911. (To be continued.)

BARKER, D. A. *The public debt of India.* Econ. Rev., Apr., 1912. Pp. 9.

BENCK-WILMERSDORF, W. *Die Gemeinden als Veranlagungsorgane der Reichszuwachsteuer.* Die Kommunal финанzen, March 25, 1912. Pp. 3.

BICKERDIKE, C. F. *The principle of land value taxation.* Econ. Journ., Mar., 1912. Pp. 16.

Holds that "there is a strong theoretical case for the local appropriation of urban site value, on the ground that when those whose activities produce a value are able to appropriate that value, production is more efficient."

BLAND, J. O. P. *The finance of China.* Nat. Rev., Apr., 1912. Pp. 16.

Activities of foreign financiers and the powers in Chinese private and public finance.

BOGART, E. L. *Taxation of the Second Bank of the United States by Ohio.* Am. Hist. Rev., Jan., 1912. Pp. 20.

BREWER, C. B. *Government economy and efficiency.* No. Am. Rev., Mar., 1912. Pp. 12.

Description of actual and possible economies now receiving attention in the different departments of the federal government.

CABOT, L. *Le budget de 1912.* Le Correspondant, Nov. 23, 1911. Pp. 12.

CAUSSY, F. *La politique commerciale de Voltaire; Voltaire contre la gabelle. Documents inédits.* Grande Rev., Feb. 25, 1912. Pp. 30.

CHERINGTON, P. T. *State bounties and the beet-sugar industry.* Quart. Journ. Econ., Feb., 1912.

CLARKE, E. *An old exchequer tally.* Journ. Royal Statist. Soc., Dec., 1911. Pp. 14.

Reminds us that so recently as 1826 notched tally sticks were used in keeping the accounts of the English exchequer and that it took a great agitation to abolish that antiquated, expensive, and inefficient system.

CLEVELAND, F. A. *Causes of waste and inefficiency in national government.* Rev. of Rev., Apr., 1912.

COHN, G. *Die Einkommensteuer in den Vereinigten Staaten von Amerika.* Schmoller's Jahrb., XXXV, Pp. 1-35.

An article occasioned by the publication of Professor Seligman's *Income Tax*, of which it is in large part a review and a criticism.

CRAMMOND, E. *The economic position of Scotland and her financial relations with England and Ireland. With discussion.* Journ. Royal Statist. Soc., Jan., 1912. Pp. 19.

The burden of expenditure for imperial services is more and more placed upon the shoulders of the taxpayers of England.

CRAMMOND, E. *Financial difficulties of home rule.* Nineteenth Cent., Oct., 1911.

CRAMMOND, E. *The growth of expenditure on armaments.* Nineteenth Cent., Jan., 1912.

DAVENPORT, H. J. *State taxation of interstate commerce. II.* Pol. Sci. Quart., Mar., 1912. Pp. 19.

DUPUIS, C. *Les droits de succession et l'évasion fiscale. (A propos de publications récentes.)* Rev. Sci. Pol., Jan.-Feb., 1912. Pp. 26.

An extended review of the contents and bearing of two volumes recently published by M. Charles Lescocour: *Pourquoi et comment en fraude le fisc* (1909) and *Les coffres-forts et le fisc* (1911).

FOOTE, A. R. *A state corporation net income tax.* Ohio Journ. Com., Jan. 13, 1912.

FREMY, E. *Premières tentatives de centralisation des impôts indirects (1584-1614).* Bibliothèque de l'Ecole des Chartes, Sept.-Dec., 1911. Pp. 26.

An important contribution to the history of taxation in France.

GAUTHIER, A. E. *La situation financière de l'Allemagne.* La Grand Rev., Nov. 25, 1911. Pp. 28.

GERBINO, G. DE F. *Sul concetto di patrimonio e sulla sua funzione dal punto di vista tributario.* Giorn. d. Econ., Oct., 1911.

Taxes on income and taxes on property are not to be distinguished in principle. Which should be selected depends on the circumstances of time and place.

GHIDIGLIA, C. *Unità di gestione ed unità di controllo nell'azienda dello stato.* Giorn. d. Econ., Jan., 1912.

This introductory lecture of a university course in public finance discusses the assignment of the essential financial functions of government among the appropriate offices.

GRUNWALD, P. *Ueber Gemeindesteuern in Deutschland und in Oesterreich.* Zeitschr. f. Volkswirtsch., XXI, 1, 1912. Pp. 24.

A review of the papers presented at the October, 1911, conference of the Verein für Sozialpolitik, and now published as volumes 126 and 127 of the *Schriften des Vereins für Sozialpolitik*. Author deals especially with the nature of municipal taxes and their proper relation to state taxes.

GUYOT, Y. *Notes sur les rapports de la commission du budget.* Journ. des Econ., Dec., 15, 1911. Pp. 15.

Another of M. Guyot's incisive criticisms of what he believes to be a disastrous increase of the annual budgets.

IMBERT, L. *L'impôt sur les marchés de marchandises à livrer au terme.* Rev. Econ. de Bordeaux, Jan.-Feb., 1912. Pp. 7.

Criticism of proposed law for taxing dealings in futures.

JEZE, G. *Les pouvoirs financiers de la Chambre des Lords (le parlement act, 1911).* Rev. Sci. Légis. Finan., Oct.-Dec., 1911. Pp. 10.

Brief summary of the provisions of the recent act of Parliament depriving the House of Lords of its veto power over money bills.

KETTLE, T. M. *Home rule and finance.* Eng. Rev., Jan., 1912. Pp. 16.

KOPFMEIER, J. H. *Ice house taxation.* Ice and Refrigeration, Apr., 1912. Pp. 2.

Chiefly a discussion of the Wisconsin income tax as it affects the natural ice business.

LACHAPELLE, G. *Notre état financier.* Rev. de Paris, Dec. 1, 1911.

DE LANNOY, C. *Notes sur le régime budgétaire des colonies de l'Afrique tropicale.* Bull. de Colonisation Comparée, Feb., 1912. Pp. 23.

Comparative study of the control of colonial budgets as practiced by England, Germany, and France, the three countries having extensive colonial possessions in Africa.

LEHFELDT, R. A. *Public loans in the light of the modern theory of interest,* Econ. Journ., Mar., 1912. Pp. 17.

LEITER, F. *Einkommensteuer und Einkommenverteilung in Oesterreich.* Oesterreich. Rundschau, Jan. 1, 1912. Pp. 12.

LEROY-BEAULIEU, P. *La concurrence des divers fonds publics entre eux et la prochaine émission d'obligations des chemins de fer de l'Etat.* L'Econ. Franc., Feb. 24, 1912. Pp. 2.

Criticises methods and details of loans made necessary by government purchase of more railway lines.

LEROY-BEAULIEU, P. *Deux faits nouveaux importants relatifs à la loi sur les retraites ouvrières; un arrêt de la Cour de Cassation; des évaluations fallacieuses de la commission du budget.* L'Econ. Franç., Dec. 16, 1911.

MACDONNELL, LORD. *The finances of Irish government; a retrospect and a prospect.* Nineteenth Cent., Jan., 1912. Pp. 23.

MACLER. *Le budget de la ville de Paris.* Journ. des Econ., Feb. 15, 1912. Pp. 6.

MACLER. *Le budget des postes, télégraphes et téléphones de 1912.* Journ. des Econ., Mar. 15, 1912. Pp. 16.

MOLLET-VIEVILLE, E. and VIE, M. *La péréquation de la taxe de mainmorte.* Réf. Econ., Nov. 3, 1911. Pp. 2.

NAPIER, T. B. *The land clauses of the finance (1909-1910) Act, 1910; some ambiguities, and two recent decisions.* Law Quart. Rev., Jan., 1912. Pp. 11.

NITZSCHE, E. *Ein Gemeindesteuergesetz für Sachsen.* Kommunale Praxis, Jan. 5, 1912. Pp. 5.

- NOYELLE, J. *L'exagération des impôts*. Rev. Pol. et Parl., Sept., 1911. Pp. 8.  
 PAYEN, E. *La situation économique et financière de l'Italie*. Quest. Dipl. et Col., Oct. 1, 1911. Pp. 11.

A highly favorable view of Italy's financial and economic position.

- RAFFALOVICH, A. *Les contributions indirectes en Russie: tabac, papier à cigarettes*. L'Econ. Franc., Dec. 23, 1911. Pp. 1.

- RAO, C. H. *Early South Indian finance*. Indian Antiquary, Oct., 1911. Pp. 8.  
 (To be continued.)

- RIFORMA SOCIALE (COMITATO DIRETTIVO). *L'imposta di ricchezza mobile ed i nostri parlamentari*. Rif. Soc., Jan.-Feb., 1912.

The general economic position and personal property assessment of the senators and deputies of the Italian Parliament, *ad seriatem*.

- ROSA, A. DE LA. *Les finances de Saint-Domingue et le contrôle américain*. Rev. Gén. de Droit Int. Public, Jan.-Feb., 1912. Pp. 38.

An exhaustive review with references to sources; continued from previous volume. (To be continued.)

- RUDLOFF, H. L. *Die Idee der Einkommensteuer in Frankreich*. Jahrb. f. Nat. Oek., Mar., 1912. Pp. 14.

- SEIDEL. *Preussens städtische Steuern vom Grundbesitz*. Die Kommonulfinanzen, Mar. 25, 1912. Pp. 2.

- SHINGAREV, A. *The reform of local finance in Russia*. Russian Rev., Jan., 1912. Pp. 15.

Russia depends to a larger extent than any other great country on indirect taxes. Local and municipal taxation and budgets are insignificant, but 17 per cent of these municipal budgets must be devoted to the expense of the central government and there is no system of grants from the state in aid of local finance. Russia is consequently backward in popular education, public health and sanitation, road building, and all developmental undertakings. Unless reforms are instituted the country is threatened with complete arrest of progress.

- SIEBERT, A. *Die Entwicklung der direkten Besteuerung in den Süddeutschen Bundesstaaten im letzten Jahrhundert*. Zeitschr. f. ges. Staatsw., No. 1, 1912. Pp. 53.

- SMISSEN, E. VAN DER. *Le budget brut, ses inconvénients et les moyens d'y parer*. Rev. des Quest. Sci., Jan., 1912. Pp. 36.

Points out an undesirable mingling of the large industrial revenues of the Belgian government, such as those produced by the railways, posts, telegraphs, etc., with the purely governmental receipts. The country finds itself at a disadvantage in placing its loans because the interest on the railway debt is included in the general interest charge.

- STAMP, J. C. *Irish fiscal autonomy and direct taxes*. Econ. Journ., Mar., 1912. Pp. 6.

Points out some of the difficulties likely to attend any attempt to give Ireland fiscal autonomy.

TANGORRA, V. *Su taluni problemi di tecnica finanziaria*. Giorn. d. Econ., 1912.

A study of four administrative problems in public finance.

THORWART, F. *Der Kursstand der deutschen Staatsanleihen*. Zeitschr. f. Socialwis., Mar., 1912. Pp. 8.

WAURIN, A. *De la protection des droits des porteurs de fonds d'états étrangers*. Journ. du Droit Int. Privé, Vol. XXXIX. Pp. 19.

Study of the rights and legal remedies of foreign holders of repudiated securities or the securities of a bankrupt state. Based on experience in South American states, Portugal, Turkey, Egypt, and Greece, as well as the action of some of the Confederate States of America during the Civil War. (To be continued.)

WELFORD, R. *Newcastle householders in 1665; assessment of hearth or chimney tax*. Soc. of Antiquaries of Newcastle upon Tyne. Archaeologia Aeliana, Series III, Vol. VII. Pp. 28.

Interesting historical notes on the last imposition of hearth tax in England.

WRIGHTINGTON, S. R. *Taxation of "guaranteed" stock in Massachusetts*. Green Bag, Jan., 1912. Pp. 10.

Argument by a member of the Boston bar to show that certain preferred stock of the Boston and Maine Holding Company is in actual fact of the nature of bonds and should therefore be taxed instead of enjoying the exemption given by Massachusetts law to the stock of domestic corporations.

————— *The budget for 1912. Outline of financial proposals*. Japan Finan. & Econ. Monthly, Jan., 1912. Pp. 6.

A detailed, classified statement of revenues and expenditures for 1912.

————— *Chinese customs service and revenue*. Oriental Rev., Feb., 1912. Pp. 2.

————— *Consols and the national credit*. Bankers' Mag. (London), Mar., 1912. Pp. 10.

"The Consol Problem" is explained, in part, by "Lloyd-George finance."

————— *European credit. II. Greece and Turkey; III. Italy, Spain, and Portugal*. Economist, Nov. 18, 25, 1911.

*The increase in public debts*. Engg. News, Mar. 7, 1912. Pp. 2.

Argues that the actual burden upon taxpayers is just the same whether public utilities are owned by the city or by private corporations. Therefore there is no "excuse for turning over to a private corporation the control and management of such a necessary piece of municipal machinery as a sewage-disposal works, simply because of a statutory debt limit. This has recently happened in Coatesville, Pa.

————— *Life insurance "dividends" taxable as income*. Com. & Finan. Chronicle, Dec. 30, 1911.

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*Who should pay for building and maintaining good roads?*  
Eng. News, Mar. 14, 1912. Pp. 2.

Recommends that the cost of constructing and maintaining good roads be placed on automobile owners.

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*Chronique budgétaire et fiscale.* Rev. d'Econ. Polit., Mar.-Apr., 1912. Pp. 17.

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*La dette publique de l'empire Ottoman.* Mouv. Econ., Feb., 1912. Pp. 4.

Based on report of Turkish finance ministers for 1912. Gives a complete tabular statement of Turkey's debt.

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*L'imposta di ricchezza mobile ed i nostri parlamentari.* Rif. Soc., Jan.-Feb., 1912. Pp. 48.

## Tariffs and Reciprocity

(Abstracts by Henry R. Mussey)

D'AJANO, R. B. *La politica doganale degli stati italiani dal 1850 al 1860.* Giorn. d. Econ., Dec., 1911.

A substantial survey of Italian tariff history to 1860; begun in the November "Giornale."

B., D. *La ligue du libre-échange en février 1912.* Journ. des Econ., Mar. 15, 1912.

BISHOP, A. L. *Why Canada rejected reciprocity.* Yale Rev., Jan., 1912. Pp. 15.

The rejection of reciprocity was due to the excellent organization of the opposition, great prosperity of Canada, the fear that reciprocity would interfere with the National Policy, and imperial sentiment.

CANCIO, L. *La politica arancelaria de Cuba.* Revista Bimestre Cuban, Mar.-Apr., 1911.

A discussion of the effects of tariff legislation in Cuba and the relation of the tariff to the economic welfare of the country.

CARANO-DONVITO, G. *Il protezionismo e la dinamica economico-sociale.* Riv. Internazionale, Dec., 1911.

The protective policy will not be outgrown.

LYMAN, C. W. *Efficiency of paper mills.* Protectionist, Apr., 1912. Pp. 4.

On basis of tariff board's report, argues that present duty on print paper is too low.

SKELTON, O. D. *Canada and the most-favored-nation treaties.* Queen's Quart., Jan.-Mar., 1912. Pp. 22.

Imperial unity in the sense of centralized control of trade matters as well as in the sense of uniform results of independent action, does not exist. Canada has power to adopt the conditional interpretation of the most-favored-nation treaty, but it would not be advantageous.

SKELTON, O. D. *Canada and the most-favored-nation treaties.* Bull. Depts. Hist. & Pol. & Econ. Sci., Kingston Univ., No. 2., Jan., 1912.

Same article.

SMOOT, R. *Democratic revision of the tariff.* Independent, Mar. 14, 1912.

The ordinary standpat wages argument against revision, and an attack on the Democratic program as purely political.

TAUSSIG, F. W. *Typical tariff problems.* World Today, Jan., 1912.

A demonstration of the burden of the woolen and sugar duties and a suggestion for their reduction.

TAUSSIG, F. W. *Beet sugar and the tariff.* Quart. Journ. Econ., Feb., 1912. Pp. 26.

The beet-sugar industry has passed the infant stage. Its difficulties are due to the competition of other kinds of agriculture.

### Insurance and Pensions

(Abstracts by William F. Gephart)

ALDEN. *The state insurance act.* Contemp. Rev., Jan., 1912.

Discusses unemployment insurance feature of the national insurance act, showing result of investigations made of unemployment and method of organizing and operating labor exchanges.

ALLPORT, W. H. *American railway relief funds: I, Hospital departments not using the release contract.* Journ. Pol. Econ., Jan., 1912. Pp. 28.

A very good presentation of facts. Author holds that relief is not adequate, cost should not be born by employees, and such societies are inferior to those in which the release contract system is used. A description of the relief departments of each railroad using this kind of society is given.

ALTSCHULER, L. *Ueber Hypothekentilgungsversicherung insbesondere in Belgien und Frankreich.* Jahrb. f. Nat. Oek., Nov., 1911.

ASTOR, W. *The national insurance bill.* Nat. Rev., Jan., 1912.

BECK, J. *Das Bundesgesetz über die Kranken- und Unfallversicherung.* Monatschr. f. Christliche Sozialreform, Jan., 1912. Pp. 10.

Compulsory sickness and accident insurance is secured in certain sparsely settled districts by voluntary coöperative associations employing a common physician.

BECK, J. *Das Bundesgesetz über die Kranken- und Unfallversicherung.*

Financial objections against the Swiss plan of accident and sickness insurances are not strong. Great benefits are secured to the recipients. As the state subsidy increases and the number insured increases, cost will decrease and benefits increase.

BELLOM, M. *Le code d'assurance ouvrière allemand: assurance contre la maladie.* L'Econ. Franç., Dec. 30, 1911.

Insurance is obligatory and does not depend upon age, sex or

marital condition. Establishments are administered by the interested parties.

BELLOM, M. *Le code d'assurance ouvrier allemand: assurance contre les accidents.* L'Econ. Franç., Jan. 13, 1912.

Discusses methods of operation and calculation of assessments. Insurance is realized by corporations of similar or connected industries.

BELLOM, M. *Le code d'assurance ouvrier allemand: assurance contre l'invalidité.* L'Econ. Franç., Jan. 27, 1912.

Description of methods and definition of persons subject to this insurance. In general the persons insured against infirmity are the same as those insured against sickness, although the former include a higher income-receiving class.

BELLOM, M. *Le code d'assurance ouvrier allemand: généralités et conclusion.* L'Econ. Franç., Feb. 24, 1912.

In spite of the external symmetry, the code bears traces of inherited defects of all plans which instead of emanating from a single conception, are the result of a compromise between opposed tendencies.

BRAUN, H. *Die Behandlung aussereuropäischer, insbesondere von Tropenrisiken in der deutschen Lebensversicherung. II* Zeitschr. Versicherungs-Wissenschaft, Mar., 1912.

Second part of the result of investigation of tropical mortality with numerous tables showing actual experience of insurance companies.

BRAUN, H. *Die Behandlung aussereuropäischer, insbesondere von Tropenrisiken in der deutschen Lebensversicherung. II.* Zeitschr. Versicherungs-Wissenschaft, Jan., 1912.

No accurate data are available for application of specific rules. The extra premium must be decided for each place on the basis of its mortality. The figures for various parts of Africa differ widely even for the same region. The Continental companies are not as liberal as American and English companies in permitting travel or residence in the tropics. Usually each case is treated on its merits. Infectious diseases indigenous to the locality are the greatest source of tropic mortality. Some companies increase the premium; others reduce the amount of insurance, but the author concludes that the only proper way is to assess a regular rated sum.

BUISSON, E. *Le monopole des assurances en Italie.* Rev. Soc., Aug., Sept., 1911. Pp. 10, 15.

Account of the recent Italian law which makes insurance a state monopoly.

CLAUSS, F. *Das Versicherungsgesetz für Privatangestellte.* Soziale Praxis, Dec. 21, 1911. Pp. 4.

DOMIZLAFF, *Die Haftung des Feuerversicherers für Schäden im Gewerbebetriebe (insbesondere die Betriebsverlustversicherung).* Zeitschr. Versicherungs-Wissenschaft, March, 1912.



Discusses the extent to which an insurance company should be held liable for indirect losses resulting from fire, as for example a stock of coats being burned and the corresponding vests remaining intact; or the loss due to the interruption of trade; or loss to goods already sold but not delivered. In some cases insurance is allowed for the difference between the selling and market price at which the lost stock can be replaced. A recent law permits insurance against loss from interruption of business only in case accurate book records have been kept.

FAVARGER, P. *La loi fédérale sur les assurances en Suisse*. Journ. des Econ., Mar. 15, 1912. Pp. 8.

Swiss federal insurance law for accidents and sickness is in general compulsory for certain classes of workmen. As in other European countries the problem of private mutual associations was met. In a popular vote the modest victory of only 48,000 out of a total of 524,000 voting was secured, but it is hoped that the working of the law will secure supporters.

FLORSCHUTZ. *Die Sterblichkeit and die Todesursachen der ersten fünf Versicherungsjahre*. Zeitschr. Versicherungs-Wissenschaft, Mar., 1912.

Result of an investigation of the mortality rate of a German company with reference to the rate of the first five years and the succeeding period. The author shows that the actual mortality rate tends to be much lower after the first five years than the assumed rate. Tables show the chief causes of death in the later period.

FOERSTER, R. F. *The British national insurance act*. Quart. Journ Econ., Feb., 1912. Pp. 38.

A well-balanced discussion of the general significance, provisions and possible justifications and dangers of the act. The act embodies something of the minimum wage principle. In effect it subsidizes the indigent through the prosperous and the weak survive but with the expectation that they will become stronger industrially and socially. Progress has come by losing some modes of competition and acquiring new modes. We are yet sufficiently primitive that we need checks and hedges to steer our course through insurance, but the future promises a yet greater measure of democracy.

GERHART, R. *Die Lebensversicherung im mathematischen Unterricht*. Zeitschr. Versicherungs-Wissenschaft, Jan., 1912.

Mathematical teaching is along more practical lines but the schools have not yet taken up extensively the teaching of insurance mathematics. The teachers probably feel unfitted for this work and there are no good textbooks on the subject. What textbooks are found contain problems based on long discredited insurance principles.

GOLDSCHMIDT, A. *Die Vergleichung in der Statistik*. Ann. des Deut. Reichs., No. 10, 1911. Pp. 3.

GRANDKE, *Die Mietversicherung*. Zeitschr. Versicherungs-Wissenschaft. Mar., 1912.

Discussion of insurance against the loss of rent, a new form of insurance which has received a greater development in European countries than in America.

GRAUER. *Rechtshilfeversicherung*. Zeitschr. Versicherungs-Wissenschaft, Mar., 1912.

Proposal for a new form of insurance against the cost of a legal procedure. It is argued that the insurance principle is applicable since a court trial may favorably or unfavorably affect one in relation to his property.

HACHIN, J. *La loi des retraites sera-t-elle appliquée?* Mouv. Social, Jan. 15, 1912.

Workingmen's insurance must be obligatory for it is impossible in most cases to convince a young man that he will become old and may at that age find himself without resources. There is, however, difficulty in enforcing such laws. The age of retirement should be below sixty years.

HARRIS, H. J. *Workmen's insurance code of July 19, 1911, of Germany*. Bull. Bur. Lab., Sept., 1911. Pp. 203.

.An introduction to and a translation of the insurance code and law which provides insurance for the workmen.

HANDY, D. N. *Current references on fire insurance and allied subjects*. Ins. Library Bull., Jan., 1912. Pp. 16.

HEIDEN, J. *Die Versicherung der Privatangestellten*. Soz. Monatsh., Dec. 21, 1911. Pp. 7.

Opposes the German insurance plan on account of unfair cost to employee.

HEILIGENPAHL, F. *Versicherung ohne ärztliche Untersuchung*. Zeitschr. Versicherungs-Wissenschaft, Jan., 1912.

Insurance without a medical examination is secured by the following plans: (a) Upon approval of physician and charging a rate for normal life at a higher age. (b) The granting of a special form of policy, as for example, one for a limited number of years or a compound policy with increased premium. (c) A payment of only a portion of the face of the policy in case of death before a certain period. (d) Charging a high premium and any excess after a certain period is returned in the form of dividends or otherwise. Classification of dangers and mortality table constructed for each case. The author proposes a new system based upon a classification of dangers and rating up the life, he would then permit the applicant to take only compound insurance. He then enters into a detailed explanation of the method of calculating the annual premium by assuming that the insurance is effected by means of a single premium.

HEILIGENPAHL, F. *Versicherung ohne ärztliche Untersuchung. II*. Zeitschr. Versicherungs-Wissenschaft, Mar., 1912.

The second installment of the essay on insurance without medical examination.

HOTCHKISS, W. H. *The future of insurance*. Am. Underwriter, Dec., 1911.

INGRAM, T. A. *The national insurance act*. Fortn. Rev., Jan., 1912.

An excellent account of the original form of the bill, and its amendments, due to opposition to friendly societies, trade-unions and the medical profession. The chief difference from the German plan is in that of organization.

JONES, J. H. *Compensation for mine workers*. Mines & Min., Dec., 1911.

KENNEDY, E. R. *Origin of standard policy*. Week Und., Dec. 2, 1911.

An historical account of the standard policy now used as such or modified in a few particulars in many states, but which has far from accomplished uniformity in state regulation of insurance.

LAW, F. E. *State making vs. state supervision of insurance rates*. Am. Underwriter, Dec., 1911.

Holds that rates should be supervised and not made by the state on the ground that the state cannot command services of men who will establish rates fair to the policy holders and the company.

LENNOX, P. *Insuring a nation*. N. Am. Rev., Jan., 1912.

A general description of the English national insurance act.

LOCH, C. S. *The national insurance bill*. Charity Organ. Rev., Dec., 1911. Pp. 6.

Urges two points against the bill. It will not prevent but cause dependence and this point he attempts to prove by referring to experience in Germany. It attempts to force upon people one kind of insurance when there is a demand for various ways to secure the end.

MAGALDI, V. *Le assicurazioni sociali e la conferenza internazionale di Dresda*. Nuova Antologia, Jan., 1912.

An account of the eighth international congress at Dresden to discuss social insurance. It discussed how to care for industrial accidents, occupational diseases, and how to correlate compulsory state and voluntary private insurance.

MALZAC, M. *Pensions de vieillesse et d'invalidité*. Rev. Pol. & Parl., Jan. 10, 1912.

Describes the recent old-age and invalidity pension law of France.

MICHELL, H. *Les assurances contre maladie et accidents en Suisse*. Bibliothèque Univ., Dec., 1911. Pp. 26.

MORTARA, G. *Il monopolio delle assicurazioni e la mortalità italiana*. Giorn. d. Econ., Jan., 1912.

This critical examination of the mortality tables for males, presented by the sponsors of the bill for a state monopoly of life insurance in Italy as a safe basis for state insurance, shows the tables to be substantially correct.

PHILIS, E. B. *Workmen's compensation: A study of its probable cost to the community*. Am. Underwriter, Feb., 1912. Pp. 22.

Concludes the present workmen's compensation movement will

"sweep this country," for the United States has realized that it is a generation behind the rest of the civilized world in this matter. It deals chiefly with the federal commission's report on railway accidents. Rates for such insurance cannot, the author thinks, be accurately determined until after a sweeping investigation of the accidents in a dozen or more leading industries.

RAND, W. H. *Bonus, profit-sharing pensions.* Journ. of Accountancy, Nov., 1911.

Explains how bonus, profit-sharing or pension systems may be employed to increase the efficiency of the labor force of a concern. Gives interesting cases of where each of these systems has been successfully used.

RITTENHOUSE, E. E. *Conservation of life and of life insurance.* Am. Underwriter, Oct., 1911. Pp. 11.

The writer has recently been appointed conservation commissioner of the Equitable Life Insurance Company of New York, and discusses significance of the conservation of life to life insurance companies.

SCANLON, T. *Our great life insurance companies. IX. The Massachusetts Mutual.* Moody's Mag., Feb., 1912. Pp. 6.

The ninth popular and laudatory article.

SCANLON, T. *Our great life insurance companies. XI. The Northwestern Mutual.* Moody's Mag., Apr., 1912. Pp. 6.

An historical account.

SCHMITTMANN. *Landwirtschaft und Krankenversicherung nach der Reichsversicherungsordnung.* Soziale Kultur, Feb., 1912. Pp. 15.

Discusses the organization and administration of insurance for agricultural laborers against sickness.

SITZLER. *Die Krankenversicherung der Dienstboten nach der Reichsversicherungsordnung.* Zeitschr. Versicherungs-Wissenschaft, Jan., 1912.

Governments of the various German states may exempt domestic servants from compulsory insurance provisions, provided they have already secured equivalent protection. The code does not decide who are domestic servants, however. Where a servant is exempt because of other equivalent arrangements it is only for so long as she remains with that employer, and servants must then within three weeks make other arrangements for satisfactory protection.

STIER-SOMLO. *Die Pensionsversicherung der Privatbeamten.* Ann. des Deut. Reichs., Nov. 10, 1911. Pp. 28.

TANTUM. *The insurance bill in the commons.* Fortn. Rev., Jan., 1912.

An account of objections to the national insurance bill in the commons and the resulting concerns by Lloyd-George and its other supporters.

THOMPSON, J. *Unemployment insurance.* Ir. & Coal Trds. Rev., Nov. 17, 1911.

DE VERNEUIL, M. *L'assurance obligatoire contre l'invalidité, la maladie et le chômage en Angleterre.* Rev. Pol. & Parl., Nov. 10, 1911.

A laudatory account of the national insurance law of England.

———— *Bankers' superannuation and pension funds.* Bankers' Mag., (London), Jan., 1912. Pp. 9.

Shows the number and geographical distribution of persons receiving these funds for the year 1911 in Great Britain, Ireland and the Colonies.

———— *The insurance bill. A summary.* Economist, Dec. 9, 1911.

———— *National insurance act as it effects bank and insurance employees.* Bankers' Mag. (London), Feb., 1912. Pp. 4.

A voluntary society insuring only such employees should be formed on account of excellent selection of the group and also because many employees are promoted to positions carrying salaries above the minimum income of act.

———— *Il salariato domestico inglese contro la servent-tax.* Riv. Intern. Dec., 1911.

Account of the protest of the domestic servants against their incorporation in the compulsory insurance plan of England.

## Population and Migration

(Abstracts by William B. Bailey)

BERNARD, F. *La dépopulation des campagnes.* Journ. des Econ., Nov. 15, 1911. Pp. 15.

Interesting study of causes which, during the past few decades, have led to decrease in proportion of urban population in most civilized countries.

BRZESKI, T. *Betrachtungen zu dem Entwurf eines Bodenentschuldungsgesetzes in Oesterreich.* Jahrb. f. Nat. Oek., Dec., 1911.

CANCE, A. E. *Immigrant rural communities.* Ann. Am. Acad., Mar., 1912.

A study of certain rural communities, mostly Italian and Polish, which were visited by the Immigration Commission.

COHN, G. *The increase of population in Germany.* Econ. Journ., Mar., 1912. Pp. 12.

In large measure a comparison between conditions in Germany and France. The author holds that neo-Malthusianism is the doctrine which must explain conditions in France today. Although there is a reduction in the birth-rate in most European countries it is not likely that the conditions existing in France will obtain in Germany and England.

DURAND, E. D. *Immigrants and the future.* World's Work, Feb., 1912. Pp. 12.

Statistical article dealing with number and distribution of foreign born in this country. Particular attention given to the changes in nationality which have occurred during past few decades.

HALL, P. F. *The future of American ideals*. No. Am. Rev., Jan., 1912.

Coming of immigrants of other than the Baltic race will lower the standards of this country; education will only bring out and develop inherent tendencies. Mixture with other races will prove dangerous, particularly that of negroes with South Italians.

HANSSEN. *Ueber die Säuglingssterblichkeit in einer Landgemeinde beim Uebergang in einen Industrieort*. Archiv. f. Soz. Hygiene, Vol. III, No. 1, 1911. Pp. 20.

Study of changes in rate of infant mortality when a community changes from agriculture to industry as a principal occupation. Result is considerable increase in the mortality. Principal reason seems to be the greater consumption of alcoholic beverages.

HELLER. *Vergleichende Morbiditätstatistik der weiblichen kaufmännischen Angestellten und der Dienstboten*. Archiv. f. Soz. Hygiene, Vol. VII, No. 1, 1911.

HIRSCH, M. *Der Geburtenrückgang*. Archiv f. Rassen- und Gesellschaftsbiologie, Sept.-Oct., 1911.

HUBER, M. *Les statistiques de mortalité professionnelle*. Rev. Int. de Soc., June, 1911.

LAUCK, J. W. *Significance of recent immigration*. N. Am. Rev., Feb., 1912.

DE LEENER, G. *Quelques facteurs de la localisation des entreprises industrielles et des populations ouvrières*. Bull. Mensuel, June-Oct., 1911. Pp. 13.

A review and running comment upon Dr. E. T. Pratt's *Industrial Causes of Congestion of Population in New York City*. Possesses little permanent value.

LEROY-BEAULIEU, P. *La population de l'Empire d'Allemagne d'après le dernier recensement*. L'Econ. Franç., Dec. 16, 1911. Pp. 4.

Study of increase in population of Germany from 1871 to 1910 and of the growth of principal German cities. While in France the rural population exceeds the urban, in Germany the reverse is true.

LEROY-BEAULIEU, P. *La population française d'après le recensement de 1911*. L'Econ. Franç., Jan. 20, 1912. Pp. 3.

MEMOR. *Les maladies professionnelles*. Rev. Intern. du Ccm., Dec., 1911. Pp. 3.

Brief statement of what is being done to study the diseases of different classes of workers in principal European countries.

MENDELSON, M. *Die Entwicklungsrichtungen der deutschen Volkswirtschaft nach den Ergebnissen der neuesten Statistik*. I. Zeitschr. f. Socialwis., Mar., 1912.

A study of development of German industry and social organization to appear in eight instalments. The first is devoted to the influence upon industry of the great increase in the population of the country during the past half century.

MENDELSON, M. *Die Entwicklungsrichtungen der deutschen Volkswirtschaft*

*nach den Ergebnissen der neusten Statistik. II. Zeitschr. f. Socialwis., Apr., 1912. Pp. 14.*

The second article deals with the effect upon employment of taking into factories many industries which had formerly been carried on in the homes.

MORTARA, G. *I concepimenti antenuziali. Giorn. d. Econ., Aug., 1911. Pp. 100.*

An elaborate survey of all available statistics of births, whether during marriage or when there is no marriage, in cases where conception has not taken place during marriage.

NIVEN, J. *The cost of disease. Transactions of the Manchester Statist. Soc., Session, 1910-1911.*

OLDENBURG, K. *Ueber den Ruckgang der Geburten- und Sterbeziffern. Archiv. f. Sozialw., Sept., 1911. Pp. 98.*

An article of great importance, which should not be overlooked by the student interested in the recent decrease in the birth-rate.

PASTERIS, E. *Una missione nei Vosgi e un' emigrazione modello. Riv. Internazionale, Jan., 1912.*

A traveler's sketch of the Italians in the Vosges.

PAYEN, E. *La dépopulation des campagnes et la main-d'oeuvre étrangère. L'Econ. Franc., Feb. 10, 1912. Pp. 3.*

Effect of immigration to the country in supplying the lack of farm labor in France.

PREZIOSI, G. *Il problema economico dell' emigrazione italiana. Giorn. d. Econ., Nov., 1911.*

Economic conditions in Italy and in countries of destination explain the existence and the fluctuations of Italian emigration.

ROXBY, P. M. *Rural depopulation in England during the nineteenth century. Nineteenth Cent., Jan., 1912. Pp. 17.*

Causes for exodus in England were chiefly economic and began to operate about the middle of the nineteenth century. These causes have about played their role and it is likely that there will now be a movement back to the country.

SCHWIEDLAND, E. *Le repeuplement des campagnes, essais législatifs. Rev. d'Econ. Polit., Jan.-Feb., 1912.*

TREMHÖHLEN. *Die Bevölkerungsbewegung in den Grossstädten Europas von 1880 bis 1909. Zeitschr. f. Socialw., Dec., 1911. Pp. 4.*

A study of the births, marriages, and deaths which have taken place in twelve large cities of Europe in the years 1880 and 1909. The rapid fall in birth-rate during the past twenty years does not promise well for the natural increase in the cities in the coming decades.

WASHINGTON, B. T. *The rural negro community. Ann. Am. Acad., Mar., 1912.*

A description of what is being done in certain sections of the South to promote home ownership, increase the school facilities, and improve the living conditions of the rural negroes.

*Die Wohnungsfrage und der Kampf gegen Tuberkulose und Säuglingssterblichkeit.* Soziale Praxis, Sept. 28, 1911. Pp. 3.

### Pauperism and Charities

(Abstracts by Frank D. Watson)

CHANCE, W. *The national conference on the prevention of destitution, 1911.* Charity Organ. Rev., Jan., 1912.

A brief account of the four days conference held in London, May 30 to June 2, 1911. Its five sections were Public Health, Education, Unemployment, Mental Deficiency, and Legal and Financial. The conference was attended by over 1100 delegates. The article briefly summarizes the salient points emphasized in a number of excellent papers.

LOCH, C. S. *The policy of voluntary aid.* Charity Organ. Rev., Feb., 1912.

An attempt to reconsider the proposal of the Royal Commission on Poor Laws and Relief of Distress in regard to charity after a lapse of three years. The article considers first, what are the normal conditions under which organization is formed among voluntary agencies; second, the recommendation of the Poor Law Commission as to the coöperation and concentration of charitable forces; and third, what should now be done for the furtherance of a general policy of voluntary aid.

OSBORN, C. *The burden of pauperism.* Charity Organ. Rev., Jan., 1912.

Criticism of present English methods of dealing with problem of pauperism. Author sees little for encouragement in the poor law statistics of the recently issued 10th report of the local government board. In no uncertain terms he makes the following statement in reference to the old-age pension system: "The establishment of old-age pension has simply created a new class of state dependents, in addition to those existing before, at an enormous cost to the taxpayer. It has made state dependence not only honorable, but fashionable, as the latest sick insurance scheme tends to show; and that is by no means to be the end of these great projects for reforming away the independence of the people, if rumor speaks true." The author regards the question of handling the able-bodied as "almost hopeless." In the case of children he sees "some signs of progress," though the number of youthful "state dependents" is increasing.

PARKINSON, H. *The English poor law problem of to-day,* Mouv. Social, Jan. 15, 1912.

Short article pointing out great amount of pauperism existing in England, together with an enumeration of evils of present system of poor law relief and an account of the Royal Commission on the Poor Laws (1905-1908.)

PARKINSON, H. *The English poor law problem of to-day.* Mouv. Social, Feb. 15, 1912.

A interpretation for French readers of the English poor law prob-



lem. Devotes the major part of his article to an analysis, of majority and minority reports of the recent English Poor Law Commission, indicating wherein they agree and wherein they irreconcilably differ. On this latter point he characterizes the root principle of the majority as: "Provide for the destitute, when by the fact of their destitution they are obliged to present themselves to the destitution authorities; and make the assistance afforded deterrent in character." The root principle of the minority is summarized as follows: "Prevent destitution from appearing, if you can; prevent it from growing and spreading, and see, therefore, that there are no destitute persons to present themselves."

WEBB, S. *The economics of the existing (or of any) poor law.* Transactions of the Manchester Statist. Soc. Session, 1910-1911.

## Housing

(Abstracts by James Ford)

ALTENRATH. *Der zweite deutsche Wohnungskongress.* Concordia. Zeitschr. d. Zentralstelle f. Volkswohlfahrt. XVIII, 18, 1911.

CULPIN, E. G. *South Wales housing—some further details.* Garden Cities and Town Planning, Jan., 1912. Pp. 2.

Finds two to three families in one-family houses, despite high wages of collieries in that district. Some districts have no by-laws. In Ystalyfera and other sections practically all old houses have underground dwellings, low studded and lacking light and ventilation. Absence of sewerage dangerous because rain floods cesspits, and washes effluvia into houses on lower hillside.

DEVINE, E. T. *Another anti-social decision from New York's highest court.* Survey, Mar. 9, 1912. Pp. 51.

Criticism of judicial decision in Grimmer case which reverses the legal definition of a tenement house.

FISCHER, E. *Die genossenschaftliche Lösung der Wohnungsfrage.* Soz. Monatsh., Oct. 26, 1911. Pp. 6.

Gives statistics of the property and membership of the coöperative building society of Copenhagen.

GRAVES, L. *A "model village" under way.* Building Progress, Jan., 1912.

Illustrated article on Forest Hills Gardens of the Russell Sage Foundation in process of construction.

HAYWARD, E. E. *Housing and destitution.* Garden Cities and Town Planning, Feb., 1912. Pp. 7.

Shows intimate relations of evil housing conditions and destitution. Especial reference to the "furnished room" and single room tenements.

HEGEMANN, W. *600,000 Gross-Berliner in übervolkerten Wohnungen.* Soziale Praxis, Feb. 22, 1912. Pp. 2.

Quotes estimates by Professor Albrecht that there are 600,000

persons in Greater Berlin living in rooms occupied by five or more persons.

HORSFALL, T. C. *On the interaction between dwellings and their occupants in Germany and in England.* Town Planning Rev., Jan., 1912. Pp. 2.

The English live in two-story houses which if well placed are potentially wholesome dwellings. The Germans, because of strict building requirements and excessively expensive land (largely due to streets 80-120 ft. wide largely provided and maintained by abutters) live in tall and crowded tenements. "In spite of the badness of their physical training, as the result of their having small two-storied houses," the English "have better *health* than French and Germans." "That good physical and mental training in orderly habits and cleanliness are of very great importance in relation to housing, is proved by the fact that in spite of the unwholesomeness and dearness of their dwellings—German workpeople have better *physique* and better kept, cleaner dwellings than our people have."

HOUGHTON, P. B. *The Woodlands colliery village.* Garden Cities and Town Planning, Feb., 1912. Pp. 2.

Describes in detail the costs of a well-planned colliery village of 653 houses on 140 acres. Cottages built to rent for 5s. 3d. to 6s. 9d. per week, rates included.

IHLDER, J. *Fighting for better houses in San Francisco.* Survey, Mar. 23, 1912. Pp. 2.

IHLDER, J. *Homes on Pittsburgh hillsides.* Survey, Jan. 13, 1912. Pp. 2.

The housing committee of the Pittsburgh Chamber of Commerce, and other civic organizations propose building one and two family houses for workmen on steep hillsides. Article contains plans and criticism.

IHLDER, J. *Private houses and public health.* Nat. Munic. Rev., Jan., 1912. Pp. 6.

Plea for further study of relation of housing conditions to health.

KINGSBURY, J. A. *A home hospital, an experiment in home treatment of tuberculosis.* Survey, Mar. 23, 1912. Pp. 3.

The N. Y. Association for Improving the Condition of the Poor has leased one section (24 apartments) of the East River Homes "to learn whether, even in a crowded city, given proper housing, sufficient food and sanitary supervision, it is not possible to check the spread of tuberculosis."

LANGE, R. *La vie ouvrière alsacienne. Mulhouse et ses institutions sociales. I.* Rev. Sci. Pol., Jan.-Feb., 1912. Pp. 12.

1700 cottage houses were built at Mulhouse by the Société des Cités Ouvrières in 1853, sold to employees on ten annual instalments under conditions restricting sale, subletting or further building. In 1901 tenement houses were built renting suites for 10 to 32 marks monthly. Municipality of Mulhouse built 20 houses in 1905.

PAYEN, E. *Le logement des familles nombreuses: l'exemple d'un arrondissement parisien*. L'Econ. Franç., Jan. 6, 1912.

Records improvements in housing conditions of the 13th *arrondissement* of Paris since it was intensively surveyed by Drs. du Meanil and Mangenot in 1897. In 13 years some twenty unsanitary houses were removed, new streets cut through, old streets and passages paved, and provided with gas and water. Six societies have built model dwellings in this quarter. Older houses are many of them unsanitary and overcrowded. District has improved notably in 13 years, but municipal appropriations for sanitation of houses is necessary.

PEPLER, G. L. *Town planning powers under the housings, town planning, etc. act, 1909*. Garden Cities and Town Planning, Jan., 1912. Pp. 6.

"The writer's object is to show concisely . . . what benefits appear to be obtainable under the act."

PUSCH, A. *Wohnungshygiene, Licht, Luft und Wärme*. Allg. Zeitung, Feb. 3, 1912. Pp. 2.

Treats of means to secure maximum light (natural and artificial), ventilation, and heat for dwellings at low cost.

REY, A. *La crise de l'habitation populaire en France*. Nouv. Rev., Mar. 15, 1912. Pp. 14.

The housing situation in France is described with detailed emphasis upon the following points: high death-rate, rising rents, low birth-rate (due to insufficient room), failure of owners to repair or replace unsanitary property, discrimination against tenant families with children. Existing laws on cheap dwellings are good but utterly inadequate to meet the situation, and fail to promote building of cottage homes. Future policy should place discretion of housing reform with commerce, not with state; but expropriation from unsanitary houses is harmful where no accommodation exists for the displaced population, and municipal house building is not applicable for France. Means must be found to induce property owners to provide adequate sanitary homes for entire population.

SCHLEGEL, P. *Arbeiter-Einfamilienhäuser auf teurem Grossstadtboden*. Soziale Praxis, Feb. 29, 1912. Pp. 5.

Multiple cottage need not cost more per unit than tenement houses of equal accommodation. Detailed statement of costs and types of construction of cottages built by the Baugenossenschaft "Ideal" at Neukölln to rent for 28 marks per month.

WELLEK, B. *Die staatliche Wohnungsfürsorge in Oesterreich*. Ann. f. Gesetzg. Verwaltg. u. Volkswirtsch. Mar. 1, 1912. Pp. 11.

Building of cheap dwellings in Austria through cheap loans from the state. Incidental treatment of erection of tenements by the state in Germany and Austria.

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*Abitazione operaie nel, 1909*. Bolletino dell' Ufficio de lavoro, Nov., 1911.

Statistics for Italy, 1909, of the building of cheap dwellings by coöperative and philanthropic societies and by municipalities,

————— *Chicago's better housing.* Survey, Jan. 13, 1912.

————— *Loi du 26 février, 1912, sur les habitation à bon marché.* Mus. Soc. Ann., March, 1912. Pp. 2.

Abstract of law of 1912 which modifies law of April 10, 1908, on cheap dwellings.

————— *L'inchiesta sulle abitazioni a Treviso.* Bolletino dell' Ufficio de lavoro, Dec., 1911.

A municipal investigation in Treviso, Italy, finds 2100 out of 14,129 inhabitants living under conditions adjudged highly unsanitary.

————— *New Spanish housing law.* Board of Trade Labour Gazette, Dec., 1911. Pp. 2.

Law of June 12, 1911, empowers formation in any municipality of a committee for the erection and improvement of cheap dwellings, under the control of the labor department. Statement of constitution of committees, their powers and the methods of government subvention and loan.

————— *Tenement house decision of New York state court of appeals.* Survey, Mar. 9, 1912.

Text of case "Otto Grimmer, appellant v. the Treatment House Dept. of the City of New York," which holds that "an apartment house differs from a tenement house."

————— *The Troy housing bill.* Saturday Rev., Mar. 16, 1912. Pp. 2.

Bill proposed by Sir Arthur Boscawen and backed by Unionist Social Reform Committee. Provides for a special department of the Local Government Board to be called the Housing Commissioners. The latter are empowered not only to recommend housing schemes to local authorities but to carry them into effect and charge the cost on rates, a national grant of £500,000 to be placed to use of commissioners to assist local authorities when necessary.

## NOTES

The membership of the American Economic Association on May 1, 1912 was 2544. Since the annual meeting 251 new members have been added and there have been 111 resignations.

If any member of the Association has a copy of *THE ECONOMIC BULLETIN*, Vol. II, No. 1, (1909), with which he is willing to part, the secretary (Professor T. N. Carver, Cambridge, Mass.) would be glad to have it sent to his office, to be used in making up bound volumes. Fifty cents each will be paid for a few copies.

A quarterly meeting of the American Statistical Association was held at Washington, April 5, at which Mr. E. W. Parker, of the United States Geological Survey, read a paper on "The Coal Supplies and the Coal Production of the United States."

A conference of economists from the universities of Illinois, Wisconsin, Michigan, Minnesota, Chicago, and Northwestern University was held in Chicago on May 10 and 11. Discussion was largely informal and devoted chiefly to questions as to methods and ideals for graduate work in economics.

The twenty-sixth annual convention of the International Association of Factory Inspectors will be held at Washington, June 4-8, 1912.

The Fifth International Congress of Chambers of Commerce will be held in Boston, September 24-28, 1912. Delegates are of two classes, those selected by governments and others appointed by commercial organizations. Among the matters to be discussed are the establishment of a permanent international court of arbitral justice to secure continuity of jurisprudence and arbitration; the unification of legislation relating to checks; international postal reform; the compilation of international commercial statistics; the formation of an international maritime union; regulation of expositions; international agreement between banks of issues; and the abolition of discrimination against foreign merchants on account of their religion. Detailed information in regard to plans and program may be had by addressing the Office of the General Organizing Committee, Boston Chamber of Commerce.

The Second National Conference on Industrial Diseases will be held at Atlantic City, June 3-5, in joint session with the American Medical Association.

The International Association for Labor Legislation will meet at Zurich, Switzerland, Sept. 10-12.

The meeting of the British Association for the Advancement of Science will be held this year at Dundee, beginning September 4. Sir Henry H. Cunyngame will be president of the section for economic science and statistics.

Dr. John Franklin Crowell is preparing a volume entitled *The World Market*, dealing with the evolution and the organization of international commerce, and intended for collegiate grade of instruction as well as for general readers.

Dr. Delos F. Wilcox has prepared a work entitled *Government by All the People; or the Initiative, the Referendum and the Recall as Instruments of Democracy*, to be published by the Macmillan Company.

*Economic Beginnings of the Far West*, by Professor Katharine Coman, is announced for publication in September, 1912.

The report of Professor John B. Clark, director of the Division of Economic History of the Carnegie Endowment for International Peace, under date of October 26, 1911, has been published in pamphlet form (pp. 25).

The report of the Department of Economics and Sociology of the Carnegie Institution at Washington for 1911 has been reprinted from *Year Book No. 10* (pp. 69-77).

The *Bulletin of the Intercollegiate Socialist Society* for Dec.-Jan., 1911-12 (105 West Fortieth St., N. Y.), notes that the number of undergraduate chapters has increased during the past year from 16 to 38, with a present membership of 750; and the number of graduate chapters from 1 to 4, with membership of 300. "The largest non-socialist contingency is in New England."

The final publication of Professor Irving Fisher's *Elementary Principles of Economics* is announced by Macmillan.

Under the title *University of Illinois Studies in the Social Sciences* there was begun in March a series of monographic studies in history, economics, political science, and sociology, written by members of the university. The editorial board is composed of E. L. Bogart, chairman, J. A. Fairlie, and L. M. Larson.

In March appeared the first number of a monthly magazine for investors, "Securities Review," published by G. Lynn Sumner and Company of Scranton, Pennsylvania. In view of the universal demand for larger income on invested money, this journal will make a special study of the effect of the gold supply.

In connection with the annual meeting of the Michigan Academy of Science, the Section of Economics held three sessions in Ann Arbor, on March 29 and 30, under the chairmanship of Professor Harrison S. Smalley, vice-president of the Academy. The following papers were presented: "The Ethical Implications of Economic Theory," by Walton H. Hamilton, of the University of Michigan; "The Present Status of Workmen's Compensation Legislation in the United States," by Professor Edward H. Ryder, of Michigan Agricultural College; "Scientific Management and the Wage Earner," by Professor Frank T. Carlton, of Albion College, and "The Cost Theory of Railway Rates," by Professor Henry C. Adams, of the University of Michigan. In addition to these papers there was a general discussion of the final report of the Michigan Commission of Inquiry into Taxation. Professor Frank T. Carlton, of Albion College, was elected vice-president of the Academy in charge of the Section of Economics for the ensuing year.

There has recently been organized the Texas Applied Economics Club, which will undertake a study of the industrial problems of Texas. Judge N. A. Stedman is president and Professor Lewis H. Hancy is secretary and treasurer. The first meeting was held at Austin, May 10, when papers were read on railway, capitalization, taxation, and corporations. The proceedings will be published as a bulletin of the University of Texas.

A European tour, extending from June 29 to August 25, 1912, for the "study of social problems and social solutions" is announced, under the directorship of Dr. E. E. Pratt (9 Livingston Place, New York).

The Minnesota Tax Commission has created a Department of Research and Statistics, appointing Professor E. V. D. Robinson, of the University of Minnesota, its director. Professor Robinson will retain his position at the university. The principal topic to be investigated at present is the question of gross earnings versus ad valorem taxation of public service corporations.

Miss Julia C. Lathrop has been appointed director of the federal Children's Bureau recently established by Congress. Miss Lathrop was educated in the public schools of Rockford, and later at Rockford and Vassar Colleges. She was private secretary in her father's law office until 1890, when for the first time she went to Hull-House. After that time she lived there for varying periods. One of the first

things she did at Hull-House was to apply to the County Agent for a position as visitor for outdoor relief. This was objected to on the score that she was not a voter, so she took the position without salary. In 1893 Governor Altgeld decided to put a woman on the State Board of Charities and offered the position to Hull-House. Miss Lathrop was selected to take it. She was on this Board for eight years. It had always been a requirement that the State Board should visit every almshouse and industrial school in the state, but this had never been done until Miss Lathrop made it her duty. As the result of her observations she became one of the workers for the Juvenile Court Law, because she found dependent children of the state in poor houses and delinquent children in the common jails. On account of the persistent political nomination of the Board, she resigned from her place under Governor Yates, and her letter of resignation contained a protest which was of great value in stimulating a movement for a stronger Civil Service Law. Miss Lathrop was again appointed on the Board under Governor Deneen and remained a member until the Board was reorganized. During her terms of service she made several trips to Europe to learn advanced methods for the treatment of the insane. She has always advocated the boarding out system for chronic cases and the establishment of psychopathic hospitals for acute cases. Miss Lathrop is President of the Mental Hygiene Society of Illinois, which is devoted to the interests of the insane, Fourth Vice-President of the Chicago Juvenile Protective Association, and Chairman of the Psychopathic Institute of Chicago, which seeks to determine the physical basis for delinquency in children.

JANE ADDAMS.

The Alice Freeman Palmer Memorial Fellowship has been granted by the Association of Collegiate Alumnae to Miss Putnam, instructor in history at Mount Holyoke College, who will have a leave of absence for the academic year 1912-1913. She will spend the year in England studying problems of mediaeval labour legislation, and will make an investigation of the fourteenth and fifteenth centuries similar to that already made in her book on the *Enforcement of the Statutes of Labourers during the First Decade after the Black Death 1349-1359*.

The David A. Wells prize of Harvard University, of \$500, has been awarded to M. T. Copeland, Ph.D., Harvard, 1910, now instructor of economics in New York University. His essay, on "The Cotton



Manufacturing Industry in the United States," will be printed in the series of *Harvard Economic Studies* published by the department of economics. The David A. Wells prize was founded by the distinguished economist whose name it bears; and the fund which he established provides not only for the payment of this prize (the largest pecuniary prize offered in the University), but also for the publication of the essay.

A circular in regard to the ninth contest for the Hart Schaffner and Marx prizes may be had from Professor J. Laurence Laughlin of the University of Chicago. Manuscript must be submitted by June 1, 1913.

A gift of \$125,000 has been made by Mr. E. C. Converse of New York for the establishment of a professorship in banking at the graduate school of business administration of Harvard University.

Among the more recent additions to an already lengthy list of series of economic monographs are the *Freiburger Volkswirtschaftliche Abhandlungen*, edited by Professors K. Diehl and G. von Schulze-Gävernitz, (Karlsruhe i. B.: G. Braunsche Verlag); the *Abhandlungen aus dem volkswirtschaftliche Seminar der Technischen Hochschule zu Dresden*, edited by Professor R. Wuttke, (Leipzig: Duncker & Humblot); and the *Basler volkswirtschaftliche Arbeiten*, edited by Professor S. Bauer, (Stuttgart: W. Kohlhammer).

The Deutsche Landwirtschafts-Gesellschaft (Berlin) has published the fourteenth study in a series begun in 1906, *Betriebsverhältnisse der deutschen Landwirtschaft*. It is by B. Schöne and is devoted to the northern part of the Kingdom of Saxony.

W. Rothschild (Berlin) announces the publication of *Handbuch der Politik*. Many specialists have combined to make this a scientific treatment of actual conditions. Broad in its scope, the work contains among its most notable contributions: "Tax reform," by Dr. von Eheberg; "Valuation," by Dr. Lexis; "Public credit," by Dr. Schwarz; "Legislation bearing upon cartels and trusts," by Dr. Liefmann; and "Workmen's insurance," by Dr. von Schanz. The work appears in two volumes (36 m.)

Félix Alcan (Paris) announces the publication of *Histoire Universelle du Travail* under the direction of G. Renard. It is to comprise twelve volumes, three of which are to appear in 1912, each volume containing 400 pages of text in addition to extracts from pub-

lic documents. Society past and present is studied from a modern point of view, pointing out the mediums through which humanity has gratified its wants during various ages and in various countries, how it has developed its economic life and organized its activities, together with the lessons to be drawn therefrom.

A new monthly in the interests of better housing conditions in South Wales and Monmouthshire is "The Housing Reformer," published by H. Stanley Jevons (4 Park Place, Cardiff).

The first number of a new quarterly, the "Ungarische Rundschau für historische und soziale Wissenschaften," appeared in January, 1912 (Leipzig, Duncker & Humblot, 20 m.) Despite the promise of its title, the first number contains but one article of distinctly economic interest "Die Einschränkung der Einwanderung in der Vereinigten Staaten von Amerika," by Géza v. Hoffmann. The other papers treat of various themes in literature, art, and archaeology, and indicate a scope not differing widely from that of the well-known "Revue de Hongrie."

The January-February number of the "Jahrbücher für National-ökonomie und Statistik" is a jubilee number in honor of Dr. Conrad's fiftieth year of connection with the journal, of which he has been editor since 1878. Articles in this number are by the associate editors and other professors of political economy at the University of Halle.

A new journal "Encyclopédie du Mouvement Syndicaliste" now appears monthly at a subscription price of twelve francs, under the direction of V. Griffueltes and L. Joutraux, and published by Marcel Rivière et Cie (Paris). It comprises two distinct parts: first, a general index of current thought in dictionary form; second, an international review of the movement.

"Archiv für exakte Wirtschaftsforschung," formerly "Thünen-Archiv," is now published quarterly by E. Laur. R. Ehrenberg, however, continues as editor. Its aim is to present exact and scientific information and interpretation. The economics of farming, forestry, mining, labor, and commerce are given especial attention.

The Swedish journal "Aftonbladet" has brought together under the title *Hur man arbetar i utlandet* (Stockholm, 1911, pp. 96) the results of an inquiry into labor organizations in Belgium, France, Germany, Austria-Hungary, Switzerland, England, and the United States. The necessity for coöperation between nations is emphasized.

The Deutscher Verein für Versicherungs-Wissenschaft offers two prizes of 5,000 marks each for the best monographs on the history of life insurance and fire insurance in Germany. Manuscripts are to be submitted before January 1, 1914.

The library of the late Professor Levasseur, of the Collège de France, has been offered for sale. It contains about 18,000 books, brochures, and maps, and represents the lifetime collection of one of the most distinguished economists of Europe. It has been carefully catalogued under the following classification: working classes, property, economists, economics, education, money, finance, taxation and commerce, agriculture, industry, sociology, exhibitions, statistics, transportation, justice, prisons, history, fine arts, administration, geography, strikes, and arbitration. Information concerning the terms of sale will be furnished by Professor Raphael Georges Lévy, 3 rue de Naisiel, Paris.

#### *Appointments and Resignations*

Mr. A. B. Balcom has been appointed instructor in economics at the University of Minnesota.

Professor F. Spencer Baldwin has been appointed secretary of the Massachusetts Employees' Insurance Association, organized to furnish insurance to employers who accept the provisions of the new compensation act, which goes into effect July 1, 1912. This association was established in accordance with a provision of the act, and was originally designed to have a monopoly of this field of insurance. The act was amended, however, in passage through the legislature, to permit the liability insurance companies also to furnish insurance under the new plan.

Dr. George E. Barnett will be in Germany this summer, spending most of the time at Munich.

Dr. E. W. Bemis is now assisting the city of Des Moines in an appraisal of their waterworks for the proposed purchase by the city, and is also engaged upon a report for the city of Chicago on the proper rates for telephone service.

Dr. Theodore H. Boggs has been promoted to an assistant professorship in economics at Dartmouth College.

Miss Kate Holladay Claghorn will resign her position as registrar of records in the Tenement House Department of New York City, next September, to accept a position on the staff of the New York School

of Philanthropy. Her work will be to lecture on statistical method applied to social work and to direct original investigations.

Professor Edwin J. Clapp has been appointed chairman of the Committee on Docks and Dock Railways of the Citizen's Union of New York City.

Dr. M. T. Copeland, and Messrs. L. M. Corsgrave, H. H. Burbank, R. E. Heilman, and Eliot Jones have been appointed instructors at Harvard University for the year 1912-13.

Mr. R. E. Coulson has returned to his work as special agent of the federal Bureau of Corporations.

Dr. Ira B. Cross, of Stanford University, has been promoted to an assistant professorship.

Mr. J. S. Davis has been appointed instructor in economics at Bowdoin College.

Professor Ely, of the University of Wisconsin, has accepted an appointment as lecturer in economics in the University of London during the spring term of 1913. Dr. Ely expects to publish within a few months a work on *Property and Contract in their Relation to the Distribution of Wealth*.

Professor Frank A. Fetter will lecture on economic theory at Columbia University during the first term of Professor Seligman's absence; for the second term Professor W. M. Daniels will lecture on public finance.

Professor Henry James Ford, of Princeton University, has been appointed by Governor Wilson, commissioner of banking and insurance of New Jersey.

Mr. David Friday has been promoted to a junior professorship in the University of Michigan.

Mr. Charles W. Gerstenberg has been appointed assistant professor of finance in the School of Commerce of New York University.

Professor John Lewis Gillin, of the State University of Iowa, has been called to the University of Wisconsin as associate professor in sociology and acting secretary of the Department of General Information and Welfare of the Extension Division of that university.

Professor Stephen Warren Gilman, of the University of Wisconsin, will teach at the summer session of the University of California.

Professor Everett W. Goodhue will resume his duties at Colgate University in the fall, after a year's leave of absence.

Mr. D. F. Grass has been promoted to an instructorship in Stanford University.

Mr. R. M. Haig has been appointed lecturer in economics at Columbia University for the year 1912-13.

Professor Lewis H. Haney, of the University of Texas, has been promoted to a full professorship.

Mr. Frederic C. Howe has recently been appointed the new head of the People's Institute of New York, to fill the vacancy left by the death of Charles Sprague Smith.

Dr. Robert F. Hoxie, of the University of Chicago, has been promoted to an associate professorship.

Professor S. S. Huebner, of the University of Pennsylvania, has been appointed expert for the Congressional Committee on the Merchant Marine in its investigation of the shipping business and practices connected therewith. The investigation includes shipping agreements, conferences, and combinations; also the practices connected with shipping and the effect of those practices upon the commerce of the country.

Professor Lincoln Hutchinson, of the University of California, has been granted leave of absence for the next academic year.

Professor Joseph French Johnson has been serving for the past year on a commission appointed by the mayor to report on new sources of revenue for the city of New York. He has also been appointed a member of the Committee on Finance of the New York Chamber of Commerce, and is chairman of the Merchant's Association Committee on Taxation and Revenue.

Mr. A. W. Lahce has been appointed an instructor at the University of Vermont.

Professor S. M. Lindsay retires at the end of the present academic year from the position of administrative head of the New York School of Philanthropy, remaining, however, as a member of the teaching staff. Dr. Devine will undertake the duties of director.

Mr. R. C. Line has been appointed instructor in economics at Mt. Holyoke College.

Dr. Esther Lowenthal has been advanced from the position of assistant to that of instructor in economics at Smith College.

Professor Thomas W. Mitchell, of the University of Minnesota, is a member of the State Board of Examiners for Certified Public Accountants.

Professor Wesley C. Mitchell has resigned his position at the University of California to engage in economic research. He has in press

a work on *Economic Cycles*, and is continuing his work on *Money and Prices*.

Professor E. V. D. Robinson has been appointed director of the Division of Research and Statistics created by the Minnesota Tax Commission to report especially on the subject of gross earnings versus ad valorem taxation of railways. Professor Robinson has also been appointed acting head of the department of economics and political science at the University of Minnesota during the absence of Professor John H. Gray who is engaged in special investigations for the National Civic Federation.

Dr. R. S. Saby, for two years instructor in political science at Cornell University, has been promoted to the position of assistant professor.

Mr. D. R. Scott, instructor in political economy in the University of Michigan has resigned to take up journalistic work.

Professor W. A. Scott, of the University of Wisconsin, was engaged through the month of March on a speaking tour through the South under the auspices of the National Citizens' League, the purpose of the tour being to explain the need for monetary reform and how that reform would be accomplished through the operation of the proposed National Reserve Association.

Mr. J. Melbourne Shortliffe has been appointed instructor in economics at Dartmouth College.

Professor Ludwig Sinzheimer, of Munich, will offer two courses at the University of Wisconsin, for the second semester of 1912-13; one on "The Labor Problem," and a second on "The Economic Significance of the Technical Development of Industries."

Mr. George C. Smith has recently resigned his position in the department of economics at the University of Oklahoma to accept an instructorship at Cornell University.

Mr. W. S. Stevens has been appointed lecturer in economics at Columbia University for the year 1912-13.

Mr. Walter W. Stewart, instructor in political economy in the University of Michigan, has resigned to accept an instructorship at the University of Missouri.

Mr. J. R. Turner, lecturer in economics at Cornell University, will be on leave of absence next year studying in the graduate school at Princeton.

Messrs. H. R. Trumbower and W. I. King have been advanced from the rank of assistant to that of instructor at the University of Wisconsin.

Mr. T. W. Van Meter will give instruction in transportation at the Wharton School of the University of Pennsylvania, beginning his duties next fall.

Dr. Francis Walker will lecture at the University of Wisconsin during the summer session.

Dr. L. D. H. Weld has been appointed statistician of the Public Service Commission of the First District of New York.

Robert H. Whitten, librarian-statistician of the New York Public Service Commission for the First District, has been granted a leave of absence to undertake, in behalf of the Department of Interstate and Municipal Utilities of the National Civic Federation, an investigation of public service regulation in Great Britain. He will devote special attention to the sliding scale method of rate regulation which has been extensively applied in the gas industry in Great Britain. Mr. Whitten has completed a volume entitled *Valuation of Public Service Corporations: Legal and Economic Phases of Valuation for Rate Making and Public Purchase* (Banks Law Pub. Co.).

Professor Murray S. Wildman, of Northwestern University, has been appointed to succeed Professor A. S. Johnson as head of the department of economics at Stanford University.

Mr. Harvey A. Wooster, instructor in economics in De Pauw University, has been appointed instructor in political economy at Yale University.

Professor Allyn A. Young of Washington University, Professor O. D. Skelton of Queen's University, Professor A. C. Whitaker and Professor H. A. Millis of Leland Stanford University, are to give instruction during the summer session at the University of Chicago.

The death is reported of G. de Molinari on January 28. He was editor of the "Journal des Débats" from 1871 to 1876 and had been editor of the "Journal des Economistes" since 1881.

## NINTH LIST OF DOCTORAL DISSERTATIONS IN POLITICAL ECONOMY IN PROGRESS IN AMERICAN UNIVERSITIES AND COLLEGES.

Students whose period of continuous non-residence exceeds three years are omitted from the list. The last date given is the probable date of completion.

The first list of this kind was dated January 1, 1904, and was sent to all members, but not regularly bound in the publications. The subsequent lists have appeared in the publications as follows: Second list, 1905, in third series, vol. vi, p. 737; third list, 1906, in third series, vol. vii, no. 3, supplement, p. 43; fourth list, 1907, in third series, vol. viii, no. 2, supplement, p. 42; fifth list, 1908, in the *Bulletin* for April, 1908, p. 69; sixth list, 1909, in the *Bulletin* for April, 1909, p. 16; seventh list, 1910, in the *Bulletin* for March, 1910, p. 12; eighth list, 1911, in the *Review* for March, 1911, p. 212.

### Theory and Its History

LEON ARDZROONI, A.B., Leland Stanford Junior University, 1909; A.M., 1910.

History of wage theories of American economists. 1912. *University of Chicago*.

ALFRED BURPEE BALCOM, S.B., Acadia University, 1907; A.M., Harvard University, 1909. Nassau William Senior and the development of English poor laws. 1912. *Harvard University*.

LUCIUS MOODY BRISTOL, A.B., University of North Carolina, 1895; S.T.B., Boston University, 1899; A.M., Harvard University, 1910. The development of the doctrine of adaptation as a theory of social progress. *Harvard University*.

ELIZABETH BALDWIN DEMAREST, A.B., Mt. Holyoke College, 1905; A.M., 1907. Ad firmam manors in Domesday. 1912. *Radcliffe College*.

FERAMORZ YOUNG FOX, A.B., University of Utah, 1906. Modern theories and practice of social reform. 1912. *University of California*.

DAVID FRIDAY, A.B., University of Michigan, 1908. The concept of surplus in economic theory. 1912. *University of Michigan*.

DONALD F. GRASS, B.A., Harvard University, 1897. Antonio Serra. 1913. *Leland Stanford Jr. University*.

MORRIS HALPERN, A.M., Columbia University, 1909. A theory of socialization. 1912. *Columbia University*.

WALTON HALE HAMILTON, A.B., University of Texas, 1907. The theory of laissez faire: a study in social process. 1913. *University of Michigan*.

VICTOR E. HELLEBERG, A.B., Yale University, 1883; I.L.B., University of Cincinnati, 1885. The sociological factors in the argument of Malthus. 1912. *University of Chicago*.

FRANK C. LAUBACH, A.B., Princeton University, 1909; A.M., Columbia University, 1911. The theory of collective efficiency. 1912. *Columbia University*.

MARTIN JOHN LAURE, B. A., Augustana College, 1906; M.A., 1909. The development of the property concept among the early Hebrews. 1912. *State University of Iowa*.



- S. LEON LEVY, A.B., College of the City of New York, 1908. *Life and work of Nassau William Senior*. 1912. *Columbia University*.
- ELIZABETH A. S. TREDWELL, A.B., Barnard College, 1908; A.M., Columbia University, 1909. *Vanderlint: A study in the history of economic theory*. 1912. *Columbia University*.
- JOHN ROSCOE TURNER, B.S., Ohio Northern University, 1900; M.S., 1903. *The attitude of American economists toward the Ricardian theory of rent*. *Cornell University*.
- NORMAN J. WARE, A.B., McMaster University, 1908. "L'Ordre naturel" of Le Mercier de la Rivière: A study in functional treatment of the rise of social theory. 1913. *University of Chicago*.
- HENRY WISCHKAEMPEB, A.B., Warburg, 1906; B.D., Union Theological Seminary, 1910. *George Simmel: An essay in sociological theory*. 1912. *Columbia University*.
- ARTHUR H. WOODWORTH, A.B., Lafayette College, 1904; A.M., University of Chicago, 1906. *The sociological valuation of the idea of equality in American political theory*. 1913. *University of Chicago*.

### Economic History and Geography

- LEE BIDGOOD, B.A., University of Virginia, 1905; M.A., 1906. *The economic condition of the Virginia mountaineers*. *University of Wisconsin*.
- O. G. CARTWRIGHT, A.B., Yale, 1893; A.M., 1901. *A history of the American consular system*. 1912. *Columbia University*.
- WALTER L. CLITON, Ph.B., University of Mississippi, 1896; A.B., University of Nashville, 1911. *Economic development in Mississippi from 1875-1910*. 1912. *Columbia University*.
- SAMUEL GLOVER DUNSEATH, A.B., Ursinus, 1910; A.M., Columbia University, 1911. *An economic interpretation of Hebrew history from the Egyptian bondage to the fall of Jerusalem in 70 A. D.* 1912. *Columbia University*.
- HOWARD CHARLES GREEN, A.B., College of the City of New York, 1902. *The radical movement of the American Revolution*. 1912. *Columbia University*.
- HOWARD C. KIDD, A.B., Geneva, 1908; A.M., Columbia University, 1911. *The development of laissez-faire to legislative control in the United States*. 1913. *Columbia University*.
- ALMON W. LAUBER, Ph.M., Syracuse, 1905. *Colonial Indian slavery in the United States*. 1912. *Columbia University*.
- ELI FRANKLIN LEE, A.B., Trinity College, 1905; A.M., Columbia University, 1908. *The social solidarity of the South*. 1912. *Columbia University*.
- ISAAC LIPPINCOTT, A.B., Harvard University, 1902; A.M., Washington University, 1907. *Industrial history of the Ohio valley to 1860*. 1912. *University of Chicago*.
- NILS ANDREAS OLSEN, A.B., Luther College, 1907; A.M., University of Wisconsin, 1909. *The commercial relation between Scandinavia and England from the sixteenth century to the eighteenth*. 1913. *Harvard University*.
- WARREN B. SMITH, Ph.B., University of Chicago, 1902. *White servitude in South Carolina and Georgia*. 1912. *University of Chicago*.

- PETER A. SPEEK, Livland, Russia, 1899-1902; M.A., University of Wisconsin, 1911. The problem of nationality in industrial society. *University of Wisconsin.*
- N. M. MILLER SURREY, B.S., University of Chicago, 1903; A.M., University of Wisconsin, 1909. The history of commerce and industry in Louisiana during the French régime. 1912. *Columbia University.*
- CARL WILLIAM THOMPSON, A.B., B.O., Valparaiso College, 1901; A.B., A.M., University of South Dakota, 1903; A.M., Harvard University, 1904. Economic history of the Red River Valley. 1912. *Harvard University.*
- C. MILDRED THOMPSON, A.B., Vassar, 1903; A.M., Columbia University, 1907. The social and economic reconstruction of Georgia. 1912. *Columbia University.*
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